

## CUSTOMER SERVICE QUALITY AT RETAIL STORES IN HYDERABAD AIRPORT

**Dr. Mallika Srivastava,**

Symbiosis Institute of Business  
Management, Pune, India

**Siddharth Goli,**

Symbiosis Institute of Business  
Management, Pune, India

**Samantak Bhadra,**

Symbiosis Institute of Business  
Management, Pune, India

**Trisha Kumar Kamiseti,**

Symbiosis Institute of Business  
Management, Pune, India

### ABSTRACT

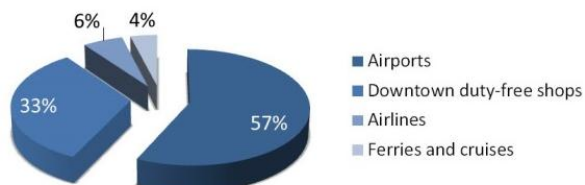
*Quality is the keyword for survival of organizations in the global economy. Organizations are undergoing a shift from a production-led philosophy to a customer-focused approach. Competitiveness of a firm in the post-liberalized era is determined by the way it delivers customer service. Service quality is a concept that has aroused considerable interest and debate in the research literature because of the difficulties in both defining it and measuring it with no overall consensus emerging on either (Wisniewski, 2001). The goal of airport retailers is to successfully convert all browsers into buyers at the retail outlets. One major challenge that all retailers face is that they do not know how the browsers will be converted into satisfactory purchasers. Another offshoot of this goal is not to lose shoppers to the competitors. In view of the above mentioned goal to be achieved by the retailers, customer service is becoming important since it is one of the differentiating factors. Understanding the perceptions of the customers with respect to the service they receive and their expectations is imperative for retailers to improve their service and cash in on the immense potential available at airport retail outlets. The main objective of the study is to measure service quality of retail outlets in the Hyderabad airport with SERVQUAL model.*

**Keywords:** Airport retail, service quality, SERVQUAL, differentiation, service firms, satisfied buyers, service quality measurement.

### Introduction:

Travel retail is the business undertaken in all the shops located in duty free areas or any areas dedicated to travellers.

**Figure 1: Components of Travel Retail**



This market should double in the next ten years to reach 100 billion US \$. Research by JCDcaux confirms this new category of travellers, who consider shopping an integral part of their travel

experience. In a recent survey, 96% of people interviewed agreed that they enjoy shopping when visiting a foreign city. 83% consider that shopping is an important part of their trips and 68% choose their travel destination according to the shopping opportunities and available brands at a location.

According to the study, Duty Free shopping is their preferred point-of-sale (75% buy in Duty Free shops, with 78% shopping on their return trip). Given the bright future ahead for this distribution channel, it is imperative for the retailers to look for ways to tap into this potential. And one of the ways is to provide customer service. Customer service designed to heighten the level of customer satisfaction. This is the differentiating element for retailers aiming to have the competitive advantage towards competitors. The role

of customer service in distinction process is relevant and is aimed at differentiating the outlets.

Service quality is an approach to manage business processes in order to ensure full satisfaction of the customers. This in turn will help to increase competitiveness and effectiveness of the industry. Quality in service is very important especially for the growth and development of service sector business enterprises (Powell, 1995). It works as an antecedent of customer satisfaction (Ruyter and Bloemer, 1995). Organizations can achieve business excellence through quality control in services.

### Literature Review:

Parasuraman et al., 1985; Lewis and Mitchell, 1990 state that service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and hence customer dissatisfaction occurs. Edvardsen et al. (1994) state that, in their experience, the starting point in developing quality in services is analysis and measurement. The SERVQUAL approach, which is studied in this paper is the most common method for measuring service quality.

Wisniewski & Donnelly, 1996; Hernon, Nitecki, & Altman, 1999; Sureschandar, Rajendran, & Nitecki, 2002; Kumar, Smart, Maddern & Maull, 2008 in their study, indicate that service quality is closely tied to customer satisfaction. Quality and customer service have been identified as critical strategic issues for both public and private sector organizations.

Donnelly, Wisniewski, Dalrymple, & Curry, 1995 in their study, talk about the use of a variety of measures of service quality in the private sector as critical indicators of both organizational performance and general customer satisfaction is widely accepted and has given rise to considerable empirical research.

In an article entitled "Service Quality and Customer Satisfaction: An Assessment and Future Directions" the authors, Peter Hernon, Danuta Nitecki and Ellen Altman assert that service quality, developed over time, relates to customer expectations, whereas satisfaction is transaction-specific, is a more short-term measure, and focuses on a personal, emotional reaction to service.

Dr. Arash Shahin in his paper titled "SERVQUAL and Model of Service Quality Gaps: A Framework for Determining and Prioritizing Critical Factors in Delivering Quality Services" stated that this paper has started with the concept of service quality and has demonstrated the model of service quality gaps. SERVQUAL as an effective approach has been studied and its role in the analysis of the difference between customer expectations and perceptions has been highlighted with support of an example. Outcomes of the study outline the fact that although SERVQUAL could close one of the important service

quality gaps associated with external customer services, it could be extended to close other major gaps and therefore, it could be developed in order to be applied for internal customers, i.e. employees and service providers.

C.N. Krishna Naik, Swapna Bhargavi Gantasala, Gantasala V. Prabhakar (2010) in their study "Service Quality (Servqual) and its Effect on Customer Satisfaction in Retailing" found that, service Quality within retail units is pivotal for satisfying customers, retaining them and creating loyalty amongst customers. This research uses SERVQUAL to analyze the gap between perceptions and expectations of the customer, concerning with the service at retail units in the South Indian state of Andhra Pradesh. Result of research showed that services offered by retail units have positive impact and are significant in building customer satisfaction.

According to Stauss & Weinlich (1997), a closer look, however, reveals some deficits of attribute based quality measurement (like SERVQUAL). First, the data collected by these methods cannot completely reflect the customer's quality perception. Second, the respondents are forced to aggregate their quality experiences in a problematic way. For example, a customer of a bank asked to evaluate the friendliness of customer contact employees of a bank is forced to tick a single point on a scale even if he/she had contacts with three employees whose behavior and friendliness differed considerably.

Teas (1994) noted that SERVQUAL expectations have been variously defined as desires, wants, what a service provider should possess, normative expectations, ideal standards, desired service, and the level of service a customer hopes to receive. These multiple definitions and corresponding operationalisations of "expectations" in the SERVQUAL literature result in a concept that is loosely defined and open to multiple interpretations.

Sabrina Tazreen (2012) in her study "An Empirical Study of Servqual as a Tool for Service Quality Measurement", attempts to highlight the implication of SERVQUAL, one of the widely accepted methods for measuring service quality. The SERVQUAL methodology is briefly demonstrated by a small survey conducted on a randomly selected bunch of customers regarding the service quality provided by a particular commercial bank. The paper concludes with some recommendations regarding further research topics related to service quality measurement.

### Statement of the Problem:

The goal of airport retailers is to successfully convert all browsers into buyers at the retail outlets. One major challenge that all retailers face is that they do not know how the browsers will be converted into satisfactory purchasers. Another offshoot of this goal is not to lose shoppers to the competitors. In view of

the above mentioned goal to be achieved by the retailers, customer service is becoming important since it is one of the differentiating factors. Understanding the perceptions of the customers with respect to the service they receive and their expectations is imperative for retailers to improve their service and cash in on the immense potential available at airport retail outlets.

**Objectives of the Study:**

The main objective of the study is to measure service quality of retail outlets in the airports with SERVQUAL model. The major objectives of the present study are -

- To study the importance and impact of service quality and customer satisfaction at Hyderabad airport retail outlets.
- To find the most important dimensions of service quality that affect customer satisfaction in Hyderabad airport retail outlets.
- To measure the satisfaction level of current customers at the Hyderabad airport retail outlets.

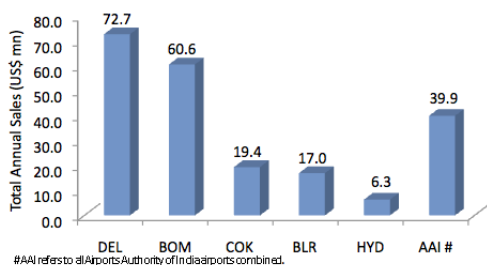
**Methodology:**

Research methodology mainly focused on quantitative method and survey study is considered as a research technique. The SERVQUAL approach of Parasuraman et al. (1985, 1986, 1988, 1991, 1993, and 1994) was demonstrated for measuring service quality. Primary research will be undertaken to find out the reasons behind the low conversion rate of browsers to buyers. A ServQual questionnaire will be utilized to get the required information.

**Sample:**

The GMR Rajiv Gandhi International Airport (RGIA) has been identified for the survey as it witnesses high air traffic on a daily basis which ensures a steady and constant movement of air travellers. Besides that, the airport houses an expansive shopping arcade with retail outlets selling a wide gamut of items like books, music, electronics, destination products, jewellery, fashion accessories, wellness products, food, apparels and travel accessories. However, the rate of conversion of browsers to buyers is at an abysmal low as indicated in the Figure 2 and the wide gap is fodder for our study.

**Figure 2: Total annual retail sales at airports in India**



The total sample size of our study is 160. The study captures the general views, opinions, perceptions and expectations of the sporadic air traveller, the regular air traveller and the frequent air traveller.

**Research Instrument:**

SERVQUAL model is mainly used for measuring service quality of service providing organization. SERVQUAL is the most popular approach for measuring service quality to compare customers' expectations before a service encounter and their perceptions of the actual service delivered (Gronroos, 1982; Lewis and Booms, 1983; Parasuraman et al., 1985).

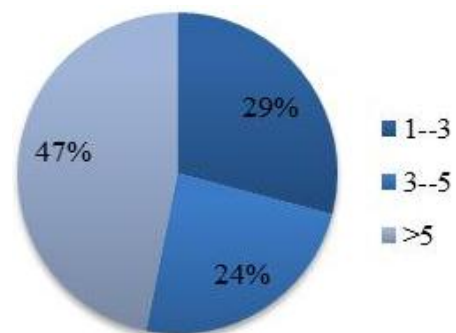
**Data Collection:**

A survey was formulated utilizing the SERVQUAL format. The survey was created keeping in mind the five dimensions of service quality as expected and perceived by the air traveller. The survey contains 18 questions which cover the five dimensions of customer satisfaction, namely tangibility, reliability, responsiveness, assurance and empathy. The survey was conducted at different points of time in the day, morning, afternoon and evening in order to bring into perspective and capture possible differences in the responses of the travellers.

**Data Analysis:**

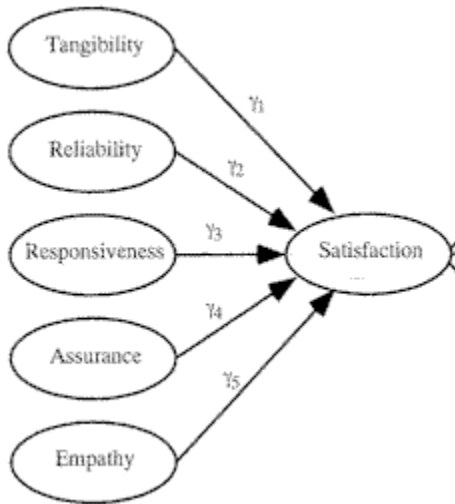
The survey has also taken into account segmentation of the respondent base with respect to the frequency at which the travellers travel via air. The survey identifies and takes into consideration the responses of three types of travellers – the infrequent travellers, the regular travellers and the frequent travellers. The representation of the three segments in the pool of 160 respondents has been provided in the Figure 3.

**Figure 3: Respondent pool segments**



Collected data was analyzed by using appropriate statistical tools based on SERVQUAL method. Only the customer satisfaction dimension has been taken for this study and the dimensions have been provided in the figure 4.

Figure 4: Dimensions of SERVQUAL



In our SERVQUAL analysis, a set of 18 questions have been utilized to measure the service quality and the degree of performance of retail outlets in the eyes of consumers as opposed to expectations, across the five dimensions of consumer satisfaction, namely tangibility, reliability, responsiveness, assurance and empathy. This has been effected through the utilization of five-point Likert scales measuring both customer expectations and perceptions on every question. 4 questions (Questions 1 to 4) have been provided to measure the expected and perceived tangibility of the service quality. 5 questions (Questions 5 to 9) have been provided to measure the expected and perceived reliability of service quality. 4 questions (Questions 10 to 13) have been mentioned in order to measure the expected and perceived responsiveness which is an essential measure of the satisfaction derived from the quality of service provided. 2 questions (Questions 14 and 15) have been included in order to measure the assurance that is expected and perceived by the air traveller during his visit to the retail outlet. The last 3 questions (Questions 16 to 18) measure the empathy dimension in terms of the expectations and perceptions generated about the service quality of the airport retail outlets. Dissection of service quality and the measurement of the degree of the gap have been done on three levels. Firstly, it has been done at the level of the individual question posed to the consumer which represents a specific element in the dimension. Secondly, it has been done at the level of the dimension itself. For example, the gap in expected reliability and perceived reliability of the service quality has been measured in order to understand, identify and narrow down on the loopholes. Thirdly, an overall gap considering all the five dimensions has been measured. This has been calculated based on the overall expectations and perceptions of the air traveller.

The analysis is initially done for each of the three segments which have been identified based on the frequency of air travel. The gaps on the three levels in each segment are calculated and analyzed. After individual and dedicated calculations and analyses are performed on each of the segments, the change in the expectations and perceptions accompanied by the change in the respective gaps are observed as a consumer makes a transition from an infrequent traveller to a regular traveller. The changes in gaps and responses are analyzed for each of the two transitions, namely from infrequent to regular travel and from regular to frequent travel. The percentage drop in the expectations of the air travellers have also been calculated in order to identify which dimension has fared poorly in the eyes of the air traveller and to what degree. The higher the degree, the higher the attention that dimension deserves in order to effect better conversion of browsers to buyers.

The SERVQUAL instrument results in this research study will identify positive performance (perceived level of actual service exceeds the expected level of service) and/or negative performance levels along the five dimensions (expected level of service exceeds the perceived level of actual service). The perceived service quality, or gap, score (denoted as Q) is calculated for each statement by subtracting the E score from the P score, implying a Q score for each statement ranging between -6 and +6 (Wisniewski & Donnelly, 1996). A negative Q score indicates a level of service quality which is below that which is expected by the customer. Conversely, a zero to positive Q score indicates a level of service which is equal to or exceeds customer expectations).

**Data Findings and Analysis:**

**Infrequent Air Travellers (1 -3/Year):**

Analysis of the service quality experienced by the infrequent traveller based on individual dimensions has been performed.

**Tangibility:**

**Table 1: Performance Gap- Tangibility**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Tangibility	3.309783	3.286281	0.023502	0.715154912

The Tangibility dimension of the SERVQUAL customer perception tool is comprised of the first four questions which assess the customers’ perceptions of the tangible appearance aspects of the retail outlets in the airport at Hyderabad. Overall, for those customers who are infrequent travellers, the ServQual gap score on the tangibility dimension stands at 0.02. This score has been calculated after taking into account the four questions which have been individually analyzed. The gap score which stands at 0.02 is an indication that the

expectations of the customers are greater than their perceptions in the tangibility dimensions of the retail stores at Hyderabad airport. However, the gap is not extremely high and this indicates that there is a strong probability of bettering the elements of the tangibility dimension and nullifying the negative gap that is present in the current scenario.

**Reliability:**

**Table 2: Performance Gap- Reliability**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Reliability	2.921739	3.256522	-0.334783	-10.28038502

The Reliability dimension of the SERVQUAL instrument is comprised of questions 5-9, which assess the customers' perceptions of the reliability aspects like providing quality plastic bags for ease of carrying, availability of certain goods mandatorily, error free and prompt billing of goods, availability of unexpired and fresh stock of goods, adherence to promised store timings at the retail stores in the airport. The individual questions gap scores were calculated and averaged to find the overall score on reliability dimension. The score is reflective of the perceptions exceeding the expectations of the customers.

**Responsiveness:**

**Table 3: Performance Gap- Responsiveness**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Responsiveness	2.98913	3.538043	-0.548913	-15.5145938

The Responsiveness dimension of the SERVQUAL instrument is comprised of questions 10-13, which assess the perceptions and expectations of the travellers on the various responsiveness aspects (providing services promptly, willingness to help, never being too busy to respond to request for service, being courteous and pleasant in interactions with customers) at the retail stores in Hyderabad. Overall, taking all the four statements into consideration, the mean perception score of the responsiveness dimension stands at 2.99 while the mean expectation score stands at 3.54. The gap score which is the difference between perception and expectation is (-0.55). A negative gap score shows that the perceptions are greater than the expectations. Effective handling of this dimension can help the retailers ensure customer satisfaction.

**Assurance:**

**Table 4: Performance Gap- Assurance**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Assurance	2.902174	3.065217	-0.163043	-5.319134012

The Assurance dimension of the SERVQUAL instrument is comprised of questions 14- 15 which assess perceptions of the assurance aspects (employee behavior instills confidence, customers feel secure in their transactions) of the retail stores in the airport. The average un-weighted gap score (P-E) for the assurance dimension of customer satisfaction is – (0.16). This negative gap score shows that means expectation score is greater than the mean perception score. Retailers need to address this gap to deliver high customer satisfaction.

**Empathy:**

**Table 5: Performance Gap- Empathy**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Empathy	3.050725	3.528986	-0.478261	-13.5523632

The Empathy dimension of the SERVQUAL instrument is comprised of questions 16-18 which assess travellers perceptions of the empathy aspects (provides individual attention, has convenient operating hours, employees provide personal attention, has the best interest of the customer at heart, employees understand the needs of the customers) of the retail stores at RGIA. All in all the expectations of the travellers on the empathy dimension exceeds the perceptions. The average unweighted gap score (P-E) for the empathy dimension of customer satisfaction is (-0.48).The survey results show that the perception of the customers fall below their expectations on the empathy aspects of the RGIA retail stores customers' satisfaction level.

**Overall Analysis:**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Tangibility	3.309783	3.286281	0.023502	0.715154912
Reliability	2.921739	3.256522	-0.334783	-10.28038502
Responsiveness	2.98913	3.538043	-0.548913	-15.5145938
Assurance	2.902174	3.065217	-0.163043	-5.319134012
Empathy	3.050725	3.528986	-0.478261	-13.5523632
Total	3.042271	3.34985	-0.307579	-9.181873815

The overall analysis table depicts all the five dimensions of the SERVQUAL analysis. Analyzing the mean expectation score for each dimension, we can observe that for infrequent and sporadic travellers, responsiveness and empathy are the two dimensions where there are high expectations from the service quality offered by retail outlets. The % drop in expectations of the two dimensions is 15% and 13%. The overall gap score is negative and stands at -0.308. This indicates that the overall service quality experience of the infrequent traveller (1 to 3 travels

annually) is not favorable and there is a definite gap in his expectations and the service offered to him by the retail outlets.

**Data Findings and Analysis - Regular Air Travellers (3-5/Year)**

Analysis of the service quality experienced by the infrequent traveller based on individual dimensions has been performed.

**Tangibility:**

**Table 6: Performance Gap- Tangibility**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Tangibility	3.48155925	3.3092105	0.17234875	5.208153123

The Tangibility dimension of the SERVQUAL customer perception tool is comprised of the first four questions which assess the customers' perceptions of the tangible appearance aspects of the retail outlets in the airport at Hyderabad. For regular travellers, the ServQual gap score on the tangibility dimension stands at (0.17). This score has been calculated after taking into account the four questions which have been individually analyzed. The gap score which stands at (0.17) is an indication that the perceptions of the customers are greater than their expectations. However, the gap is not extremely high and this indicates that there is a strong probability of bettering the elements of the tangibility dimension and improving the experience of the customer ultimately leading to greater levels of satisfaction.

**Reliability:**

**Table 7: Performance Gap- Reliability**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Reliability	3.110526316	2.984210526	0.12631579	4.232804251

The Reliability dimension of the SERVQUAL instrument is comprised of questions 5-9, which assess the customers' perceptions of the reliability aspects like providing quality plastic bags for ease of carrying, availability of certain goods mandatorily, error free and prompt billing of goods, availability of unexpired and fresh stock of goods, adherence to promised store timings at the retail stores in the airport. Overall, for those customers who are regular travellers, the ServQual gap score on the Reliability dimension stands at (0.13). This score has been calculated after taking into account the five questions which have been individually analyzed. The gap score which stands at (0.13) is an indication that the perceptions of the customers are greater than their expectations.

**Responsiveness:**

**Table 8: Performance Gap- Responsiveness**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Responsiveness	2.638157895	2.953947368	-.315789473	-10.69042314

The Responsiveness dimension of the SERVQUAL instrument is comprised of questions 10-13, which assess the perceptions and expectations of the travellers on the various responsiveness aspects (providing services promptly, willingness to help, never being too busy to respond to request for service, being courteous and pleasant in interactions with customers) at the retail stores in Hyderabad. Overall, taking all the four statements into consideration, the mean perception score of the responsiveness dimension stands at 2.99 while the mean expectation score stands at 3.54. The gap score which is the difference between perception and expectation is (-0.55). A negative gap score shows that the perceptions are greater than the expectations. The survey results show that the perceptions of the customers fall below their expectations of the responsiveness aspects of the retail stores in the airport at Hyderabad.

**Assurance:**

**Table 9: Performance Gap- Assurance**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Assurance	3.10563158	2.907894737	0.197736843	6.80000003

The Assurance dimension of the SERVQUAL instrument is comprised of questions 14- 15 which assess perceptions of the assurance aspects (employee behavior instills confidence, customers feel secure in their transactions) of the retail stores in the airport. The average un-weighted gap score (P-E) for the assurance dimension of customer satisfaction is (-0.16). This negative gap score shows that mean expectation score is greater than the mean perception score. The survey results show that the perception of travellers falls below their expectations of the assurance aspects of the retail stores at RGIA in Hyderabad.

**Empathy:**

**Table 10: Performance Gap- Empathy**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Empathy	3.07154386	3.087719298	.016175438	0.523863617

The Empathy dimension of the SERVQUAL instrument is comprised of questions 16-18 which assess travellers perceptions of the empathy aspects (provides individual attention, has convenient

operating hours, employees provide personal attention, has the best interest of the customer at heart, employees understand the needs of the customers) of the retail stores at RGIA. All in all the perceptions of the travellers on the empathy dimension exceeds the expectations. The average unweighted gap score (P-E) for the empathy dimension of customer satisfaction is (-0.02). The survey results show that the perception of the customers exceeds their expectations on the empathy aspects of the RGIA retail stores customers' satisfaction level.

**Overall analysis:**

	Mean Perception Score	Mean Expectation Score	Gap Score (P-E)	% drop in Expectation
<b>Tangibility</b>	3.473684211	3.309211	0.164473211	4.970163915
<b>Reliability</b>	3.110526316	2.984211	0.126315316	4.232787695
<b>Responsiveness</b>	2.638157895	2.953947	-0.315789105	-10.69041201
<b>Assurance</b>	3.105263158	2.907895	0.197368158	6.787320656
<b>Empathy</b>	3.01754386	3.087719	-0.07017514	-2.272717822
<b>Total</b>	3.070175439	3.05848	0.011695439	0.382393836

The overall analysis table depicts all the five dimensions of the SERVQUAL analysis. Analyzing the mean expectation score for each dimension, we can observe that for frequent travellers, responsiveness and empathy are the two dimensions where there are high expectations from the service quality offered by retail outlets. Ironically enough, the maximum drop in expectations have occurred in those two dimensions as far as perceived or actual service experienced by the consumer. The % drop in expectations of the two dimensions is 10% and 2%. The biggest gaps in service quality, therefore, occur in the two dimensions of responsiveness and empathy. The overall mean expectation is equal to 3.0584 while the overall mean perception score is equal to 3.070. The overall gap score is positive and stands at 0.011. This indicates that the overall service quality experience of the frequent traveller (3 to 5 travels annually) is favorable and there is a definite exceeding of expectations in terms of the service offered to him by the retail outlets. The overall % gain in perceptions is equal to 0.38% which is a quantified representation (along with the overall gap score of 0.011) of the reasons behind the moderately good rate of conversion of browsers to buyers as far as regular air travellers are concerned.

**Data Findings and Analysis - Frequent Travellers (>5/Year):**

Analysis of the service quality experienced by the infrequent traveller based on individual dimensions has been performed.

**Tangibility:**

**Table 11: Performance Gap- Tangibility**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
<b>Tangibility</b>	3.233108	3.709459	-0.476351	-12.84152217

The Tangibility dimension of the SERVQUAL customer perception tool is comprised of the first four questions which assess the customers' perceptions of the tangible appearance aspects of the retail outlets in the airport at Hyderabad. Overall, for those customers who are frequent travellers, the ServQual gap score on the tangibility dimension stands at (-0.48). This score has been calculated after taking into account the four questions which have been individually analyzed. The gap score which stands at (-0.48) is an indication that the expectations of the customers are greater than their perceptions in the tangibility dimensions of the retail stores at Hyderabad airport.

**Reliability:**

**Table 12: Performance Gap- Reliability**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
<b>Reliability</b>	3.181081	3.381081	-0.2	-5.915267928

The Reliability dimension of the SERVQUAL instrument is comprised of questions 5-9, which assess the customers' perceptions of the reliability aspects like providing quality plastic bags for ease of carrying, availability of certain goods mandatorily, error free and prompt billing of goods, availability of unexpired and fresh stock of goods, adherence to promised store timings at the retail stores in the airport. Overall, for those customers who are frequent travellers, the ServQual gap score on the Reliability dimension stands at (-0.2). This score has been calculated after taking into account the five questions which have been individually analyzed. The gap score which stands at (-0.2) is an indication that the expectations of the customers are greater than their perceptions in the reliability dimensions of the retail stores at Hyderabad airport.

**Responsiveness:**

**Table 13: Performance Gap- Responsiveness**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
<b>Responsiveness</b>	3.121622	4.040541	-0.918919	-22.74247434

The Responsiveness dimension of the SERVQUAL instrument is comprised of questions 10-13, which assess the perceptions and expectations of the travellers on the various responsiveness aspects (providing services promptly, willingness to help, never being too busy to respond to request for service, being courteous and pleasant in interactions with customers) at the retail stores in Hyderabad. Overall, taking all the four statements into consideration, the gap score which is the difference between perception and expectation is (-0.92). A negative gap score shows that the perceptions are greater than the expectations.

**Assurance:**

**Table 14: Performance Gap- Assurance**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Assurance	3.175861	3.614865	-0.439004	-12.14440927

The Assurance dimension of the SERVQUAL instrument is comprised of questions 14- 15 which assess perceptions of the assurance aspects (employee behavior instills confidence, customers feel secure in their transactions) of the retail stores in the airport. The survey results show that the perception of travellers falls below their expectations of the assurance aspects of the retail stores at RGIA in Hyderabad.

**Empathy:**

**Table 15: Performance Gap- Empathy**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Empathy	2.801802	3.765766	-0.963964	-25.59808549

The Empathy dimension of the SERVQUAL instrument is comprised of questions 16-18 which assess travellers perceptions of the empathy aspects (provides individual attention, has convenient operating hours, employees provide personal attention, has the best interest of the customer at heart, employees understand the needs of the customers) of the retail stores at RGIA. The survey results show that the expectations of the customers exceed their perceptions on the empathy aspects of the RGIA retail stores customers' satisfaction level.

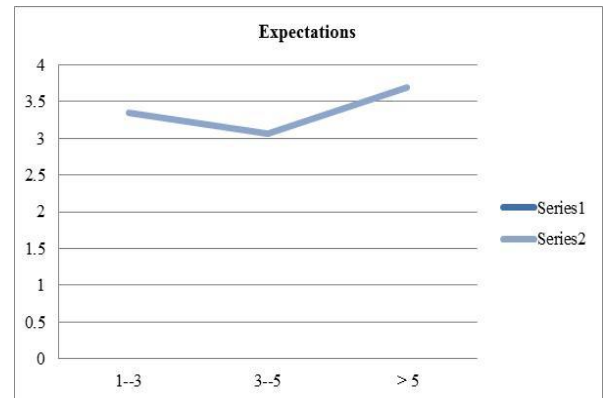
**Overall Analysis:**

	Mean Perception Scores	Mean Expectation Scores	Gap Score (P-E)	% Drop in expectations
Tangibility	3.233108	3.709459	-0.476351	-12.84152217
Reliability	3.181081	3.381081	-0.2	-5.915267928
Responsiveness	3.121622	4.041541	-0.919919	-22.7615902
Assurance	3.175861	3.614865	-0.439004	-12.14440927
Empathy	2.801802	3.765766	-0.963964	-25.59808549
<b>Total</b>	3.1026948	3.7025424	-0.5998476	-16.20096504

The overall analysis table depicts all the five dimensions of the SERVQUAL analysis. Analyzing the mean expectation score for each dimension, we can observe that for frequent travellers, responsiveness and empathy are the two dimensions where there are high expectations from the service quality offered by retail outlets. Ironically enough, the maximum drop in expectations have occurred in those two dimensions as far as perceived or actual service experienced by the consumer. The overall mean expectation is equal to 3.690 while the overall mean perception score is equal to 3.115. The overall gap score is negative and stands at -0.575. This indicates that the overall service quality experience of the frequent traveller (> 5 travels annually) is not favorable and there is a definite gap in his expectations and the service offered to him by the retail outlets.

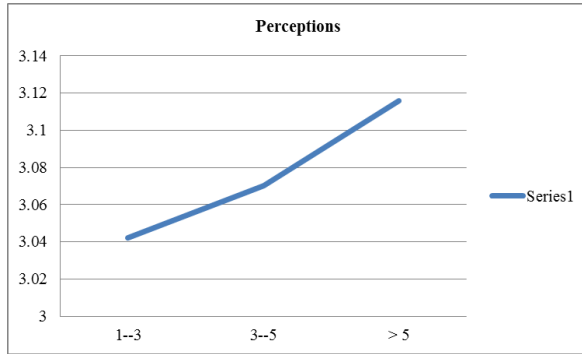
**Trend Analysis:**

**Figure 5: Change in expectations**



The line graph in Figure 5 clearly depicts the changes in expectations as the average air traveller makes a transition from an infrequent flyer to a regular flyer and eventually to a frequent flyer. The infrequent flyer's expectations start off on a high as the atmosphere of the airport and the outlets present in the airport come as a pleasing surprise to him as he starts flying initially. Everything seems novel and new. By the time he has become a regular flyer, he has already had a couple of trysts with the outlets in the airport. As a result, his expectations are now influenced by his previous experiences and, therefore, the overall expectation level gets lowered. If and when the consumer becomes a frequent flyer, the average time spent by the consumer in an airport turns out to be quite high as compared to that spent by a regular or infrequent flyer. As a result, the frequent flyer becomes more dependent on the services and goods offered in the airport as compared to the others. As a result, his expectation levels shoot up when it comes to the services and the quality of services offered by the retail outlets.



**Figure 6: Change in perceptions**

The line graph in Figure 6 clearly depicts the changes in perceptions as the average air traveller makes a transition from an infrequent flyer to a regular flyer and eventually to a frequent flyer. The high expectations of infrequent travellers are scarcely met in a satisfactory manner by the reality of the service quality offered by the various retail outlets in the airport. As a result, the perceptions of the consumers are really low. For regular air travellers, the overall perception is better as the consumers get used to the reality of the service quality prevalent in various retail outlets across airports in the country. The expectation gets lower and the perception becomes 'better' (more because the consumer gets more knowledgeable about the real state of affairs). As the regular air traveller transforms into a frequent flyer, his expectations rise. At the same time his perceptions of the service quality in different outlets also improve as he is witness to the various changes and up gradations of the service quality being brought into the game by the different brands which have outlets in the airports.

This goes on to show that the frequent flyer segment is a high target segment as they are frequent consumers and, therefore, would buy more. Frequent flyers are generally high-income consumers who provide high revenues. This segment of consumers has the highest expectations from the retail outlets and currently the perceptions developed fall short of their expectations. Thus, organizations need to invest more and wisely in order to sufficiently woo the high-income frequent flyer segment in the upcoming and highly competitive arena of airport retail.

### Recommendations:

#### Infrequent Traveller:

The main drivers behind the disappointment of the consumer are the dimensions of responsiveness, empathy and reliability in that order.

- In the dimension of responsiveness, the highest gap is in the perception that the employees or attendants in the shop do not proactively offer to help the consumers in the buying process. This insight can be utilized by retail outlets to emphasize on the restructuring of their recruitment process by giving

a higher priority to the customer-interfacing and people skills of the employee. For existing employees on the floor of the outlet, training programs should be conducted laying a particular emphasis on honing of soft skills right from language to hospitality training programs.

- In the dimension of empathy, it is imperative that more number of attendants should be employed at the retail outlets and adequate training modules should be launched in order to groom them to be able to converse with the consumer and provide satisfactory solutions to their queries and doubts.

#### Regular Air Traveller:

The overall score was brought down by the two dimensions of responsiveness and empathy which had net negative scores. Therefore, in order to convert regular travellers from browsers to buyers, the organization needs to put special emphasis on creation of training modules which would help to bring up the skill levels of the employees in the retail outlets with respect to soft skills and technical knowhow. At the same time, the number of employees per airport retail outlet needs to be increased so as to be able to provide personalized attention to every consumer who walks into the outlet.

#### Frequent Air Traveller:

The main drivers behind the disappointment of the consumer are the dimensions of responsiveness and empathy with the % drop in expectations of 23% and 26% respectively. This can be mitigated through proactivity, technical and store knowhow and personalized attention.

All in all, it has been identified that the negative gap scores or the lower perceptions as compared to the higher expectations in the dimensions of responsiveness and empathy are the main reasons behind the non-conversion of browsers into buyers. Thus, the recommendations mentioned in the analysis above, if implemented, shall help to cause better conversion of browsers to buyers and also increase in the footfall by virtue of word-of-mouth publicity.

#### Conclusion:

Airport retail is a lucrative and highly competitive arena in today's times. Indian airports roughly handle 121 million domestic and 41 million international flyers annually. Therefore, it can be seen that there is an immense market for airport retail. Rajiv Gandhi International Airport (RGIA) in Hyderabad boasts of a developed retail space which houses a plethora of leading national and international brands. Keeping this in mind, the research was conducted in RGIA and the insights generated from the findings of the SERVQUAL analysis were analyzed and interpreted. Consequently, we have provided recommendations

keeping in mind the analysis of the findings from the sample data. The findings reveal that there is a definite negative gap score for infrequent travellers which indicate that their high expectations due to inexperience is not sufficiently met by the perceptions. As far as regular travellers are concerned, there is a net positive gap score which indicates that the regular consumer is moderately satisfied by the service quality experienced by him when compared to the initial expectation. The frequent traveller, on the other hand, is one who has high expectations and has lower perceptions (although compared to the other two segments, the perception is the highest). This frequent flyer segment is a lucrative segment as, even though their expectations are high, their perceptions of the service quality are also quite high. Therefore, there is a great scope to effectively tap into this segment as not only do they expect more, they spend more and on frequent occasions. By investing in manpower, training and performance quality control, organizations can ensure that the service quality experienced by this segment would be satisfactory enough to better the perceptions of the consumers, thus resulting in larger gains in revenue and sales by putting in a moderate increase in investments and costs.

The analysis also brought to light the fact that the two dimensions of responsiveness and empathy were the main drivers behind the decrease in the gap score for all the segments. The two dimensions played a major role in causing the negative net gap scores for the segments of infrequent and frequent travellers. Thus, the recommendations mainly centered on countering the low perceptions of the consumers in these two dimensions. As a concluding remark, it is hoped that this research study will help airport retail outlets and the brands who own the outlets to become more competitive and, in the process, cause better service quality offerings to the consumers, right from the infrequent air travellers to the frequent air travellers.

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