

Expectation, Perception and Satisfaction with Service Quality –A Mall Customer Insight

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Abstract: Shopping malls are conceived as one stop destination for the consumer needs of a catchment area. Need constantly arises to assess the expectations and perceptions of customers towards shopping malls due to constant change with the shopping trends and evolution of lifestyle. This study examined customer's expectation, perception and satisfaction with service quality of a mall in Bhubaneswar. The study also investigated whether there are differences in satisfaction with service quality based on gender and ethnicity of mall customers. The results were discussed based on the gap model and the Implications of the study for malls were also provided in the paper.

Keywords: Shopping Malls, Gap model, SERVQUAL, Service Quality

Introduction: Shopping centers are complexes, in which stores with more than one departments and retailer units, cafeteria, restaurant, entertainment center, cinema, exhibit hall, bank, pharmacy and similar enterprises of all sizes are also located within a planned architectural structural unity, whose selling space might range from 5000 m² to 30.000 m² and which are generally established in countryside and managed from a single center. Examining the shopping-related literature, it was seen that shopping motivations can generally differ in three types: (1) functional motivations, (2) social motivations and (3) experiential or hedonic motivations. In the present day, shopping is also considered as a form of recreation that provides pleasure and relaxation. Therefore, shopping centers are aiming to be better and bigger in order to cover the breadth in merchandise variety and range. The race for bigger centers results in an environment with additional new shopping facilities. As a result of proliferation of shopping malls, increasing competition and diversification of consumer expectations, the functional motivation-related aspect of shopping has slowly started to give up its importance to the control of social and experiential motivations in the present day. As a result, shopping malls as well as many sectors and businesses have shifted from feature and benefit-oriented traditional marketing approach to innovative approaches producing experiences for their customers. Mall operators are competing for traffic and against anti-mall sentiments. They have turned shopping centers (mall) into halls for special events, exhibitions, exercising, shows, and amusement parks. In many instances, the shopping mall is a social and recreation meeting place attracting youngsters and seniors

Literature Review: shopping centers are accepted as "meeting places" (Sit, Merrilees and Birch, 2003: 85¹). In the present day, shopping centers have become an essential part of social and economic life particularly in big cities in Turkey as well as in the whole world (Tabak, Ozgen and Aykol, 2006: 100²). This transformation pointing at the shift from traditional retailing to new-generation retailing also refer to a shift from traditional marketing to new-generation experiential marketing focusing on product engineering and utility (Schmitt, 1999³).

According to Crosby PB (1979)⁴, Rust RT. and Zahorik AJ. (1993)⁵ The concept of service quality is becoming very important for a mall because it has been shown to be related with cost efficiency and the financial well-being of an organization. According to Bolton RN, Drew JH. (1991)⁶, Boulding W, Kalra A, Staelin R, Zeithaml VA (1993)⁷, Reichheld FF (1990)⁸ Service quality is also important in terms of gaining customer trust and satisfaction which in turns lead to repeat purchase . According to Parasuraman A, Berry LL, Zeithaml VA (1991)⁹

Service quality is about ensuring customers achieving their needs and desires .According to Brady MK, Robertson CJ (2001)¹⁰, Cronin J Taylor S. SERVPERF(1994)¹¹, In his literature suggests service quality is important because it comes before service satisfaction . Oliver R. (1980)¹² define satisfaction as comparing expectations before a purchase is made to actual service performance. Based on this definition, satisfaction is the results of a service perceived performance being higher than the standards, but dissatisfaction occurs when service performance is lower than expectation. The most popular instrument to measure service quality was developed by Parasuraman, Zeithmal and Berry ⁹ and originally known as SERVQUAL. Later known as RATER, the instrument is a scale of perceived quality that focuses on a customer's intention or judgment about the quality of a service and has been applied in various service industries, including tourism and hospitality and used for benchmarking purpose (Bryslan & Curry,2001)¹³ .SERVQUAL ⁹ is based on the gap model which focuses on customer needs, past experiences and word of mouth communications. It consists of five dimensions; (1) Tangible, (2) Reliability, (3) Responsiveness (4) Assurance and (5) Empathy. Tangibles are related with equipment and materials as well staff of a facility while the second dimension reliability is concern with the ability of a service provider to provide service on time and according to the satisfaction of customers. Responsiveness is the ability to solve customers' complaints and problems quickly while assurance is the knowledge and courtesy of employees how they can inspire trust and confidence. The last dimension is empathy, which is related how a service provider cares about the customer and provides attention needed by customers. Some authors have identified demography to be related to service quality. For example, gender differences can be related to different customer needs and wants. Female customers give more attention to physical appearances, cleanliness and physical representations.

Parasuraman et al (1985)¹⁴ have found a positive relationship between consumers' perceptions of service quality and their willingness to buy. A study using mall intercepts, by Taylor et al, (1997)¹⁵ investigated the relative roles of quality perceptions in the formation of purchase intentions of Mexican consumers. Taylor et al, (1997)¹⁵ found that service quality perceptions contribute to purchase intentions. Boulding et al, (1993)¹⁶ also uncovered a significant correlation between service quality and behavioral intentions. The functional quality (how) is defined as "how the technical quality is transferred to the customer. It is the way in which a service quality is being delivered to the customer (the functional or process quality dimension" (Gronroos, 1990)¹⁷. The five SERVQUAL dimensions developed by Parasuraman et al, (1985)¹⁴ were modified to measure functional quality. Modification of the instrument for different service settings is encouraged by the original developers of the instrument (Parasuraman et al, 1991)⁹ and other researchers (Carman, 1990¹⁸; Cronin and Taylor, 1992¹⁹; Lee et al., 2000²⁰; Kang and James, 2004²¹) employed the SERVQUAL as an adequate measure for functional quality. International Journal of Physical Education, Sports and Health Customers from the different ethnic group have different expectations of service quality because of different needs and wants based on differences in beliefs and culture (Yoshida et al,2015²²), Theodorakis et al,2014²³).

It is important for mall managers in Bhubaneswar to identify differences in satisfaction of their customers based on demographic profile such as age, ethnicity, income, gender and months of involvement as customers of the mall so that mall managers can influence expectations and satisfaction with service quality. To date, no research has been undertaken in Bhubaneswar using the SERVQUAL on customer's expectation, perception and satisfaction of service quality of a mall. Studying expectations, perceptions and differences in satisfaction of service quality of mall members in Bhubaneswar based on demographic variables are the purposes of this study.

Objectives:

1. To study the expectation and perception of service quality among mall customers.
2. To study differences in satisfaction with service quality based on gender and ethnicity.
3. To analyze the relationship between age and months of involvement with the satisfaction of service quality.

Material & Methods:

This descriptive study used a questionnaire to collect data from members of one regional mall in Bhubaneswar. Data were collected from members having loyalty cards (n=248) based on membership information provided by the mall. Subjects were asked about demographic information such as gender, age, ethnic, income, and months of involvement. Subjects were mostly males (n=149, 60.1 %), age ranging from 18 to 55 years old with a mean age of 32.5 years old. In terms of ethnicity, majority were odias (n=85, 34.3%), followed by Begolis (n=71, 28.6%) and Biharis (n=25, 10.1%). The majority of the subjects were in the Rs30000 to Rs50000 monthly income category (n = 150, 60.5 %). The SERVQUAL scale was used in this study to measure perceived service quality and expected service quality. Each subscale contained 22 items and both of the subscales measured the five dimensions of tangibility, responsiveness, reliability, empathy and assurance. mall members completed the questionnaire on expectations and perceptions of actual performance after they stepping out of the mall.

Results:

Table-1: The expectation of service quality among mall customers:

	Mean	SD
Empathy	34.04	1.80
Reliability	33.79	1.86
Assurance	27.27	1.42
Responsive	27.25	1.40
Tangible	27.04	1.45

customer’s expectations are what the customers believed a service provider should offer to meet their wants and desires. In this study, the results (Table 1) indicate that customers have the highest expectation on empathy dimension (M = 34.04, SD = 1.80), followed by reliability (M = 33.79, SD = 1.86), assurance (M = 27.27, SD = 1.42) responsive (M = 27.25, SD = 1.40) and the least expectation on tangible segmentation of service quality (M = 27.04, 1.45). A high expectation on empathy means customers regard as most important a caring, individualized attention provided to them by the service provider while tangible aspects such as employees appearance, uniforms, equipment, and work areas on-site were found to be least important to customers.

Table-2: The perception of service quality of mall members.

	Mean	SD
Empathy	24.32	3.63
Reliability	28.12	3.38
Assurance	20.01	3.00
Responsive	23.34	2.67
Tangible	23.41	2.43

Research question two examined the perception of actual service performance of the mall regarding empathy, reliability, assurance, responsiveness and tangibility. In terms of dimensions, customer's perception of actual service performance are highest in terms of reliability dimension (M = 28.12, SD = 3.38), followed by empathy (M = 24.32, SD = 3.63), tangible (M = 23.41, SD = 2.43), responsive (M = 23.34, SD = 2.67) and assurance (M = 20.01, SD = 3.00). Customers perceived the actual performance of the mall as highest for the ability to perform the promised service dependably and accurately. On the other hand, customer's assessment of the actual performance of the mall as lowest for assurance dimensions such as communicating their expertise and competencies, providing knowledge and their ability to convey trust and confidence.

Table-3: The satisfaction of service quality of mall members.

	Mean	SD
Empathy	-9.73	3.85
Reliability	-5.68	3.42
Assurance	-7.25	3.12
Responsive	-4.92	2.71
Tangible	-3.64	2.48

Research question three examines satisfaction which is the gap between expected service and experienced service. Satisfaction is also defined as the emotional state of mind reflecting the outcome of an experience³⁴. In this study, satisfaction is determined by subtracting the value of perception of actual service performance from the expectation of service. The result (Table 3) shows all dimensions of service quality have negative means meaning that customers are dissatisfied with all aspects of service quality at the mall. Customers are dissatisfied most with the empathy dimension (M = -9.73, SD = 3.85), followed by assurance (M = -7.25, SD = 3.12), reliability (M = -5.68, SD = 3.42), responsiveness (M = -4.92, SD = 2.71) and tangible (M = -3.64, 2.48). The results suggest mall customers feel the employees do not care about them during delivery of service, and this hurts customer's satisfaction the most with service quality.

Table-4: Differences in satisfaction with service quality based on gender.

	Gender	N	Mean	SD	T	df	Sig.
Empathy	male	149	-9.42	3.69	1.547	246	0.151
	female	99	-10.19	4.04			
Reliability	male	149	-5.54	3.18	0.756	246	0.068
	female	99	-5.88	3.75			
Assurance	male	149	-7.11	3.04	0.866	246	0.429
	female	99	-7.46	3.24			
Responsive	male	149	-4.84	2.52	0.543	246	0.092
	female	99	-5.03	2.99			
Tangible	male	149	-3.44	2.48	1.571	246	0.582
	female	99	-3.94	2.45			

An independent sample t-test (Table 4) was conducted to examine differences in satisfaction of service quality based on the gender of customers. The results are not significant meaning no significant differences were found between male and female customers about satisfaction with tangible, reliability, responsiveness, assurance and empathy aspects of service quality.

Table-5: Differences in satisfaction with service quality based on ethnicity

	ethnicity	Sum of square	df	Mean	F	P
Empathy	Between	121.95	3	40.65	.796	.497
	With in	3528	244	14.4		
Reliability	Between	5.51	3	1.839	.156	.926
	With in	2876	244	11.79		
Assurance	Between	48.79	3	16.26	1.39	.245
	With in	2358	244	9.66		
Responsive	Between	30.66	3	10.23	1.68	.171
	With in	1786	244	7.32		
Tangible	Between	14.68	3	4.896	2.81	.040*
	With in	1500	244	6.150		

N.B:- * - Significant at 5% level ($P < 0.05$) for DF = 149 (Male) and DF =99 (Female).

A one-way ANOVA was conducted to examine differences in satisfaction of service quality based on the ethnicity of customers. Table 5 showed that there were no significant differences in satisfaction of service quality based on the ethnicity of customers about satisfaction with reliability, responsiveness, assurance and empathy aspects of service quality except tangibility.

Table-6: Relationship between age and months of involvement with satisfaction

	Empathy	Reliability	Assurance	Responsiveness	Tangible
	r	r	r	r	r
age	0.13	-0.72	-0.09	0.033	0.035
Months of involvement	0.061	0.46	0.105	0.128*	0.030

Pearson correlation was performed to determine whether age and months of involvement have a significant relationship with satisfaction on all dimensions of service quality. For the duration of involvement, the results show a positive correlation between months of involvement and satisfaction with responsiveness dimension. It was found that the longer customers are registered as members, the more they are satisfied with quick and prompt service provided by the mall in responding on-site to questions or answering emails and returning phone calls. On the other hand, the results showed no significant relationship between age and satisfaction of service quality.

This study did not find significant differences in the influence of some of the demographic variables such as age, gender and age in the perception of service quality of mall even though there was a positive correlation between months of involvement and satisfaction with responsiveness dimension. The fact that levels of satisfaction do not differ between most of the demographic variables calls for attention towards the other demographic factors that could determine the satisfaction.

Thus, the other factors such as employment status, marital status and educational level should also be investigated in future research. In this study, empathy appears to be the most important factor regarding expectation of service but not in experienced service and this gap results in the highest dissatisfaction regarding service quality for empathy. Empathy refers to a caring, and individualized attention a mall provides its customers. Even though services can be performed completely according to procedures and guidelines, there is a possibility that customers may not feel mall employees show enough care about them during delivery of services, and this may hurt customer's assessments of the mall service quality. It is important for malls in Bhubaneswar to care about customers as much as the service and this can be done by training mall employees to provide service with a smile and always making eye contact which is important towards showing empathy to customers. The second service quality dimension that customers are very dissatisfied in this study is assurance. The findings suggest customers are not satisfied with the expertise, competencies and knowledge of mall employees. Malls are expected to be the experts of the service they are delivering and it is important for their employees to convey trust and confidence to their customers by raising customer's awareness of the competencies of mall employees. The important point here is that Bhubaneswar malls must communicate their expertise and competencies and be repeatedly seen by customers as highly skilled so that their confidence and assessment of service quality provided by the service provider will be higher. It was found in this study that all dimensions of service quality have negative means indicating customers are dissatisfied will all aspects of service quality at the mall.

Conclusion: Based on the gap model, this dissatisfaction is the results of customer expectations being greater than customer perceptions of actual performance. Some critics have suggested this discrepancy may not be due to actual service performance falling short of expectations but rather on biased responses associated with asking respondents to complete the two set of questionnaires of the SERVQUAL (expectations and perceptions) at a single sitting. Biased responses occur "when expectations and experience evaluations are measured simultaneously, respondents will indicate that their expectations are greater than they were

before the service encounter”. The authors further suggest that “customers who had a negative experience with the service tend to overstate their expectations, creating a larger gap; customers who had a positive experience tend to understate their expectations, resulting in smaller gaps.” The authors argued that measurement of customer expectations must be done before a service is provided and evaluation of actual performance after the service has been performed. The study could be extended to examine the relationship among customer retention, satisfaction, perceive value and loyalty in different sociocultural settings. At the same time, the reasons why customers go to other malls could also be explored by the researcher. It is also important to examine the effects of intervening variables such as previous experience, the number of years of becoming a member, demographic and social situational factors in future studies.

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