

Evaluating the retail service quality scale (rsqs): A theoretical framework for measuring service excellence in retail

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Abstract

The retail industry is recognized as one of the most dynamic and rapidly expanding sectors. Unlike many other industries, it is predominantly service-driven, making service quality a critical determinant of success. In this context, customers' perceptions of service quality significantly influence the performance and sustainability of retail businesses. Consequently, retailers are continually striving to enhance their service delivery and adopt innovative strategies to improve customer satisfaction and foster loyalty. Given the central role of service in retail, assessing service quality has become imperative for long-term growth and competitiveness. Over time, extensive research has been conducted on the concept of service quality, resulting in the development of various measurement frameworks. This paper offers a theoretical review of the Retail Service Quality Scale (RSQS), a widely accepted model specifically designed to assess service quality in the retail sector.

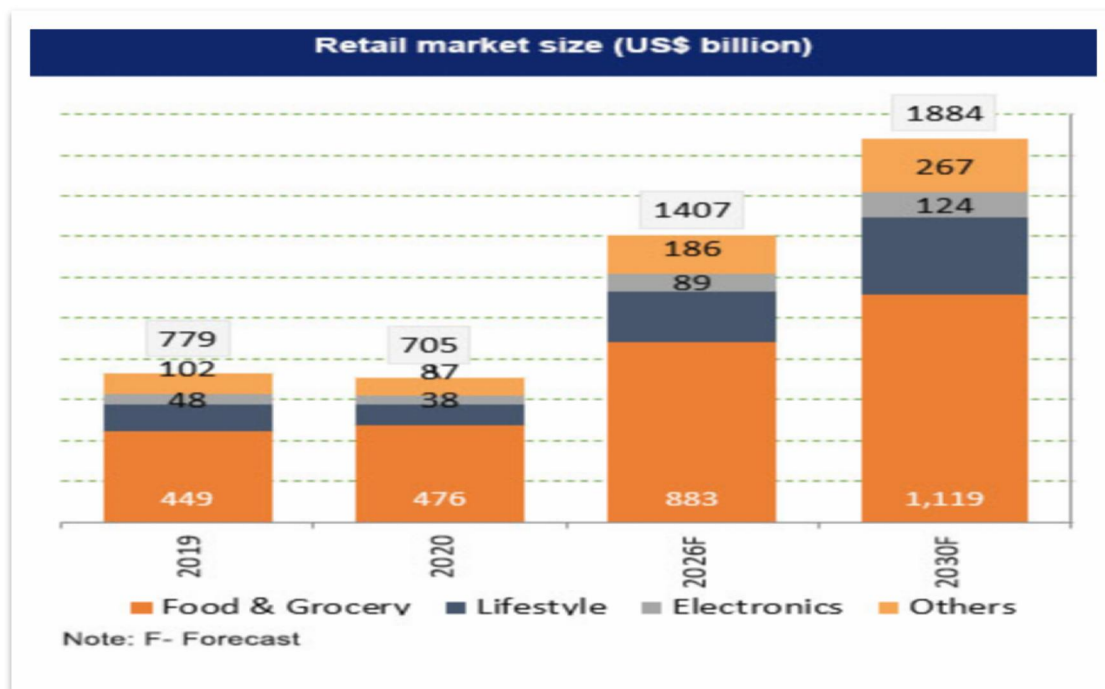
Key words – Service quality, retail sector, Retail service quality measurement

1. Introduction

To remain competitive in today's global economy, retail enterprises must place a strong emphasis on both profitability and productivity Dhadurya Naik M, (2023). The retail sector is currently undergoing significant transformation, driven by high growth rates and evolving market dynamics. In this rapidly changing environment, retail businesses face the critical challenge of ensuring customer satisfaction amidst intense competition. Customer satisfaction is closely linked to the level of service quality delivered, making service excellence a key factor in sustaining customer loyalty. Service quality has emerged as a powerful differentiation strategy, enabling retailers to gain a competitive edge in the marketplace. As competition intensifies, consumers are becoming increasingly demanding in their expectations of service quality. Retail firms that fail to meet these expectations risk not only losing their customer base but also suffering substantial losses in profitability. It stated cameras are being used by stores to track dwell and stare times and identify thieves, and companies like Amazon have already implemented a no checkout policy Dhadurya Naik M, (2023).

1.1 Retail Market Size

The chart 1 illustrates the significant growth of the Indian retail market from 2019 to the projected year 2030, highlighting four major segments: Food & Grocery, Lifestyle, Electronics, and Others. The overall market size is expected to increase from US\$ 779 billion in 2019 to US\$ 1,884 billion by 2030, indicating strong expansion across all categories. Food & Grocery continues to dominate the sector, rising from US\$ 449 billion in 2019 to a projected US\$ 1,119 billion in 2030, reflecting the continued importance of essential goods. The Lifestyle segment is projected to grow from US\$ 102 billion to US\$ 267 billion, while Electronics will expand from US\$ 48 billion to US\$ 124 billion during the same period. The 'Others' category also shows considerable growth, underscoring the increasing diversification of retail consumption. This upward trend suggests a robust shift in consumer behavior, greater disposable incomes, and deeper market penetration, emphasizing the need for retailers to innovate and adapt to the changing landscape for sustained competitiveness.



Source: <https://www.ibef.org/industry/retail-india> (2025)

2. Service Quality

Lehtinen and Lehtinen (1982) conceptualized service quality through three key dimensions: physical quality, interactive quality, and corporate (image) quality. Parasuraman, Zeithaml, and Berry (1988) further defined service quality as “a global judgment, or attitude, relating to the superiority of the service.” Das et al. (2008) emphasized that service quality remains a critical and widely debated concept in marketing literature. According to Sivadas and Baker-Prewitt (2000), quality of service not only enhances customer value but also plays a pivotal role in achieving customer satisfaction. In recent years, practitioners, researchers, and managers have increasingly focused on the determinants of service quality, recognizing its significant impact on multiple business outcomes. Delivering a high level of service has been identified as a strategic tool in retailing for achieving competitive advantage (Berry & Reichheld, 2003). In today’s highly competitive market, superior customer service is essential for business success (Reichheld, 2003). Service quality in retail settings differs significantly

from that in product-oriented contexts. Elements such as retail store design and staff service performance play a crucial role in shaping customers' judgments of service quality. These factors are now considered indispensable to retail business success, largely due to the unique characteristics of services—intangibility, perishability, inseparability, and heterogeneity—which make them more difficult to evaluate than physical products. Zeithaml et al. (2006) highlighted that the retail store—the place where the service is delivered—acts as the "packaging" for intangible offerings. Gronroos (1984) asserted that service quality is determined by two variables: expected service and perceived service. Consumers form expectations based on prior experiences, while perceived service is influenced by their actual interaction with the service. Berry et al. (1988) noted that service quality has become a key differentiator and a powerful competitive tool. Zeithaml (1996) emphasized that leading service organizations maintain high service quality to build customer loyalty. In the retail context, service encompasses a wide range of factors including employee behavior, comfort, store accessibility, pricing, and staff product knowledge (Darshan, 2005). In light of this, retail businesses are increasingly focused on understanding service quality and developing effective methods to measure it. Ultimately, the delivery of superior service quality leads to greater customer satisfaction. For retail organizations aiming for profitability, improving and maintaining service quality has become imperative. Consequently, researchers continue to work on designing comprehensive frameworks and measurement tools to accurately assess service quality in the retail sector.

2.1 Service Quality Measurement Models

Numerous studies have been undertaken to develop effective tools for measuring service quality. One of the earliest models was proposed by Grönroos (1984), who used qualitative methods to assess perceived service quality. His model identified three key dimensions: technical quality, functional quality, and corporate image. Subsequently, Parasuraman, Zeithaml, and Berry (1985, 1988) introduced the SERVQUAL model, which has since become one of the most widely used frameworks for evaluating service quality. Initially, the model included ten dimensions: dependability, willingness, competence, availability, courtesy, communication, trustworthiness, assurance, empathy, and tangibility. These were later consolidated into five core dimensions: tangibility, reliability, responsiveness, assurance, and empathy. The SERVQUAL instrument, based on the disconfirmation paradigm, compares customers' expectations with their perceptions of actual service performance using a 22-item Likert scale. However, the application of SERVQUAL in retail settings has been questioned. Dabholkar et al. (1996) and Mehta et al. (2000) noted that the model does not fully capture the complexities of retail service environments, largely due to retail stores' reliance on third-party suppliers and the quality of physical goods, which are outside the direct control of service providers.

To address these limitations, Cronin and Taylor (1992) introduced the SERVPERF model, a performance-only measurement approach. Unlike SERVQUAL, SERVPERF evaluates customer perceptions based solely on actual service performance, eliminating the expectation-perception gap. This simplification reduced bias in responses and made customer surveys easier to administer, thereby enhancing the reliability of the results. Further developments in the field led to the creation of the Retail Service Quality Scale (RSQS) by Dabholkar, Thorpe, and Rentz (1996). This model was specifically designed for the retail context and incorporated retail-specific dimensions that SERVQUAL did not address. Additionally, Brady and Cronin (2001) proposed another refined service quality model comprising the dimensions of personal interaction, physical service environment, and

outcome quality, offering a more holistic view of the service delivery process. These advancements highlight the evolving nature of service quality measurement and the necessity of adapting models to specific industry contexts, particularly in dynamic sectors like retail.

2.2 RSQS MODEL

This model proposes five key dimensions for evaluating retail service quality: physical aspects, reliability, personal interaction, problem solving, and policy. Each of these dimensions consists of specific sub-dimensions that help to capture the multifaceted nature of service experiences in retail settings. Unlike earlier models that measured the gap between expectations and perceptions, this model employs performance-only measures, focusing solely on the customer's actual experience. The five dimensions are explained in detail below:

Table 1: Dimensions of RSQM

SR.NO.	DIMENSIONS	SUB-DIMENSIONS / FACTORS
1	Physical Aspect	Store appearance, Convenience of store layout
2	Reliability	Retailer keeps its promises and “does things right”
3	Personal Interaction	Associates are courteous and helpful and inspire confidence and trust
4	Problem Solving	Associates are trained to handle potential problems namely customer complaints, returns and exchange
5	Policy	Operating hours, Payment options, Store charge cards, parking and so forth

2.2.1 The Five Dimensions of the RSQS Model:

1. **Physical Aspect:** This dimension highlights the tangible elements of a store's environment, which significantly impact how customers perceive service quality. As Bitner (1992) noted, the physical setting acts as an early cue for a firm's competence. Its sub-dimensions are:

- **Appearance:** The overall look, cleanliness, and visual appeal of the store.
- **Convenience:** The ease of navigation and layout for shoppers.

2. **Reliability:** Central to customer satisfaction, this dimension emphasizes the retailer's ability to consistently deliver on promises and "do things right," as identified by Dabholkar et al. (1996). Higher customer appreciation for reliability directly correlates with a more positive overall evaluation of service quality.

3. **Personal Interaction:** This dimension focuses on the quality of direct human engagement between customers and store personnel. Oderkerken-Schröder et al. (2001) defined this as the opportunity for customers to connect with individuals during their shopping experience. It includes two critical sub-dimensions:

- **Inspiring Confidence:** The ability of staff to instill trust in customers through their knowledge and professionalism.
- **Courteousness/Helpfulness:** The politeness, friendliness, and willingness of store personnel to assist shoppers.

4. **Problem Solving:** A unique dimension not found in SERVQUAL, proposed by Dabholkar et al. (1996), this focuses on the retailer's **effectiveness in resolving customer issues**. Key aspects include:

- The willingness of retailers to handle returns and exchanges smoothly.
- A sincere interest in solving customer problems and addressing complaints.

5. **Policy:** This dimension encompasses all store policies that influence service quality. While it doesn't have explicit sub-dimensions, it includes crucial elements such as:

- Policies related to high-quality merchandise.
- Convenient operating hours.
- Availability of parking facilities.
- Acceptance of various payment methods, including credit cards and the store's own charge cards.

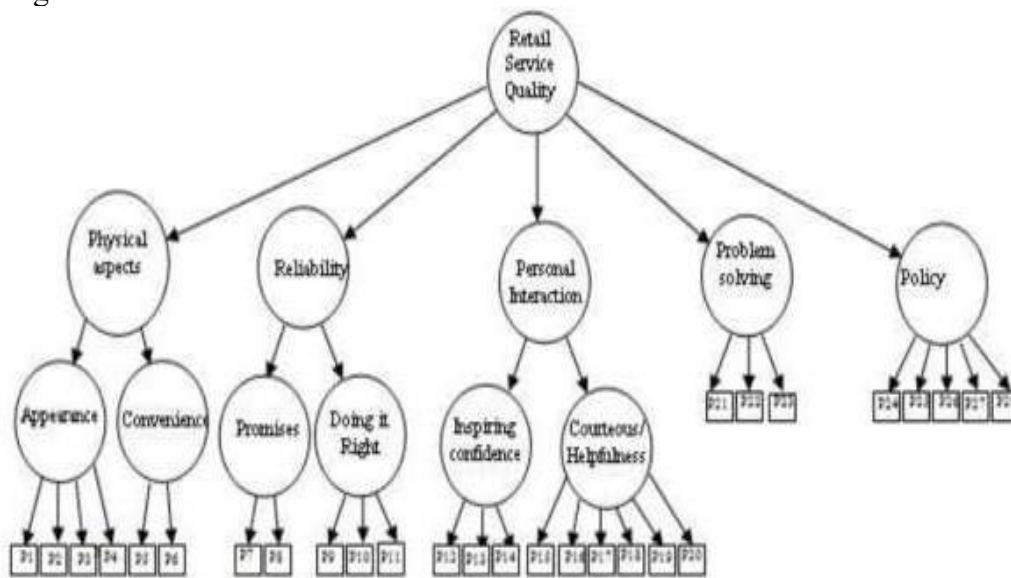


Figure 1 – Hierarchical Structure Of Retail Service Quality

Source – Dabholkar et.al. (1996)

3.APPLICATION OF RSQS MODEL

It stated that an extended consolidated table covering empirical studies from 1994 – 2011 and 2022 to mid-2025 in tables 2 and 3, with a focus on RSQS applications and adaptations across diverse retail settings:

Table: 3 Summary of RSQS Applications in Literature (1994 – 2011)

S. No	Author(s) & Year	Country / Region	Retail Context	Key Findings	RSQS Dimensions Validated / Modified
1	Gagliano & Hathcote (1994)	United States	General retail	RSQS validated as a useful tool to assess retail service quality	All original RSQS dimensions
2	Bushoff (1997)	South Africa	Department stores, specialty stores,	Supported Dabholkar et al. (1996); confirmed applicability in various	All original RSQS dimensions

S. No	Author(s) & Year	Country / Region	Retail Context	Key Findings	RSQS Dimensions Validated / Modified
3	Mehta, Lalwani & Han (2000)	Singapore	hypermarkets Supermarkets and electronics stores	formats Valid for supermarkets, not valid for electronics retail	Partial (not valid in electronics)
4	Siu & Cheung (2001)	Hong Kong	Department stores	Physical appearance and policy strongly influenced service quality and behavior	Modified RSQS (emphasis on PA and policy)
5	Kim & Jin (2001)	U.S. & Asian Countries	Cross-cultural comparison	Policy dimension found unreliable in two countries	RSQS not suitable for cross-cultural comparison
6	Kim (2002)	U.S. and Korea	Discount stores	Policy dimension dropped; personal attention reclassified under problem solving	Simplified model: PA, reliability, problem solving
7	Siu & Chow (2003)	Hong Kong	Japanese supermarkets	Problem solving conceptualized under personal interaction; added new dimension: trustworthiness	Modified RSQS + trustworthiness
8	Parikh (2005)	Developing countries	Various	Reliability most critical; parking (policy) showed highest service gap	Reliability emphasized; policy dimension questioned
9	Kaul (2007)	India (Bangalore)	Apparel stores	RSQS found unsuitable for Indian retail	RSQS rejected in Indian context
10	Das, Kumar & Saha (2010)	Kazakhstan (Almaty)	Department stores, supermarkets, discount outlets	RSQS lacked validity in this setting	RSQS not suitable
11	Martinez & Martinez (2010)	Not specified	General retail	Operational challenges in applying RSQS despite theoretical potential	Practical limitations in RSQS use
12	Bhasker & Shekhar (2011)	India (Hyderabad)	Apparel stores	Only 4 dimensions applicable: PA, reliability, PI, problem solving; policy irrelevant	Modified RSQS (4 dimensions)

Table 4: Summary of RSQS Applications in Literature (2022 – 202025)

S. No	Author(s), Year	Country / Region	Retail Context	Key Findings	Valid/Supported Dimensions
1	To Anh Tho 2022/2023	Vietnam	ZARA fashion stores	RSQS largely valid; personal interaction dimension insignificant	Physical Aspects, Reliability, Problem Solving, Policy
2	Pham & Nguyen 2024	Vietnam	General retail outlets	Full RSQS applicable; dimension-specific weaknesses noted	All five original RSQS dimensions
3	De S. Wickramasuriya & Wijayarathne 2024	Sri Lanka	Supermarkets	Reliability had no significant effect; technology adoption emerged as crucial new dimension	Physical Aspects, Personal Interaction, Problem Solving, Policy, Technology Adoption
4	Sharma & Yadav (Pal Sharma et al.) 2024	India (NCR)	Mixed format retail	RSQS partially applicable: only PA, PI, PS significantly influenced satisfaction	Physical Appearance, Personal Interaction, Problem Solving
5	Swar & Panda 2023	India (national sample)	Online retail	Developed ORSQ: four-factor model; ease of use, reliability, problem solving, policy; no PI	Reliability, Policy, Problem Solving, Ease of Use (ORSQ model)
6	Hakim et al. 2024	Indonesia (Jakarta coop)	Sharia/co-operative retail stores	Adapted RSQS into SC-RSQS, adding Sharia & cooperative dimensions using Kano classification	Core RSQS + cooperative & sharia-specific dimensions
7	Perera, Buddhika & Rathnayake 2024	Sri Lanka	Supermarkets (Cargills chain)	All five RSQS dimensions used; factor analysis revealed six factors instead of five	RSQS five plus emergent sixth factor
8	Nguyen et al. (Emerald 2021 republished) but published in 2022	CIS (Kazakhstan)	Department stores, discount stores, supermarkets	RSQS structure fits; PI and PA most strongly associated with expanding customer base	All five dimensions; PI, PA strongest movers

4. Conclusion

The RSQS model, despite its widespread recognition, is not without limitations. One of the primary concerns relates to the number and relevance of items included for different retail formats. Research has consistently shown that the RSQS model does not hold uniformly true across various retail formats, countries, and cultural contexts. As a result, the model cannot be universally generalized for all retail environments. Additionally, the inclusion of multiple

dimensions and sub-dimensions renders the statistical procedures involved in RSQS complex and difficult to apply. The direct application of an internationally developed RSQS model to the Indian retail context is problematic without necessary modifications. Therefore, it is essential to adapt and refine the model to align with the unique characteristics of the Indian retail landscape for effective diagnostic utility. Further empirical research is required to identify and validate the specific dimensions of service quality that are most relevant to the evolving retail sector in India.

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