

The Role of Service Quality in Deciding Customer Satisfaction: An Empirical and Comparative Study of Organized and Unorganized Retail Outlets

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Abstract

In the realm of retail, the significance of service quality in shaping customer satisfaction and loyalty cannot be overstated. The quality of service provided by retail outlets has a direct impact on customer perceptions, behaviours, and ultimately, the success of the business. Understanding the role of service quality in influencing customer satisfaction is crucial for retailers seeking to differentiate themselves in a competitive market environment.

The prime aim of this paper is to analyze and compare the service quality and customer satisfaction of unorganized and organized retail outlets. The proposed study is aimed to study and compare the service quality of organized and unorganized retail outlets of Kota, Rajasthan so descriptive research design has been used to serve the objective. To serve the objective Parasuraman's SERVQUAL Model was used and the questionnaire was designed accordingly. To select the sample purposive sampling method has been used. The data was collected from the 391 customers of unorganized and organized retail outlets in Kota, Rajasthan. Data was analyzed by using SPSS software. The results indicated that the service quality of unorganized retail stores is lacking in all five dimensions. Also, the unorganized retail outlets are far lacking in reliability. However, by putting in little effort they can do good in the assurance dimension. In the case of organized retail outlets, the stores are doing well on the tangibles but they are lagging on reliability, responsiveness, assurance and empathy dimensions. The comparison of service quality of unorganized and organized retail outlets depicted that the service quality of organized retail stores is better than the service quality of unorganized retail stores. The customers of organized and unorganized retail stores indicated dissatisfaction but the customers of unorganized customers were more dissatisfied than the customers of organized retail outlets.

Key Words: Organized Retail, Unorganized Retail, Service Quality, Customer Satisfaction

Introduction

In the modern retail landscape, the quality of service has emerged as a critical determinant of customer satisfaction. Understanding the importance of service quality becomes crucial for companies looking to improve client experiences and hold onto a competitive edge as the retail sector develops. This study compares organized and unorganized retail shops in an effort to investigate how service quality influences customer satisfaction.

Many factors are used to describe service quality, such as tangibles, certainty, responsiveness, consistency, and empathy. Compared to disorganized retail businesses, which could run with fewer formal procedures and more unpredictability in service delivery, organized retail outlets usually offer a different experience in terms of service quality due to their structured processes and standardized practices. The objective of this comparison study is to determine empirically how customer satisfaction is affected by these variations in service quality in both retail venues.

Retail Industry Dynamics

A wide variety of business models, broadly divided into organized and unorganized retail sectors, define the retail industry. Formally structured companies with defined protocols, branding, and management techniques are referred to as organized retail. Stores such as department stores, supermarkets, and big-box retailers are examples. Conversely, unorganized retail refers to smaller, frequently family-owned companies like neighbourhood stores, stand-alone boutiques, and street vendors.

Organized retail stores have made large investments in technology, employee training, and uniform customer care procedures to improve the quality of their services. However, disorganized retailers do not have access to these resources, which could result in inconsistent service quality. For both kinds of stores looking to enhance their service offerings, it is essential to comprehend how these distinctions impact consumer happiness.

Service Quality and Customer Satisfaction

Service quality is a multifaceted term. Parasuraman,

Zeithaml, and Berry (1988) developed the SERVQUAL model, which allowed for the assessment of service quality along five key dimensions. These factors have a big impact on how satisfied and perceived customers are.

One of the most important results of providing high-quality services is customer satisfaction, which measures how well a customer's expectations are met or exceeded. Prior studies have demonstrated a robust association between elevated service quality and heightened client contentment. For example, Rashid & Rasheed (2024) discovered that increases in service quality have a favorable effect on client loyalty and satisfaction.

Comparative Insights

The differences in service quality between the organized and unorganized retail sectors have been shown in earlier research. Because of their established service procedures and organized operations, organized merchants typically perform better than their unstructured rivals in areas like tangibles and reliability. Unorganized retail establishments, however, might provide more individualized care and flexibility, which some consumer groups might find appealing.

Customer satisfaction ratings might differ significantly within and between various sectors, despite these broad trends. According to research by Rasheed and Rashid (2024), organized retail establishments may nonetheless struggle with traits like empathy and responsiveness even though they frequently excel in service quality. Conversely, disorganized retail establishments may have trouble being consistent but can offer a more individualized touch, which in some circumstances may be essential for ensuring client happiness.

A more thorough grasp of service quality's function in various retail contexts is necessary due to its growing significance in affecting customer happiness. By contrasting and assessing the perceptions of service quality in organized and unorganized retail outlets, as well as their effects on customer satisfaction, this study will add to the body of literature. The findings will offer valuable implications for retailers seeking to optimize their service quality strategies and improve overall customer experiences.

Literature Review

A review of literature on service quality involves summarizing and analyzing key research findings and theoretical perspectives in the field. This is a structured overview of pertinent literature, including noteworthy references:

Five factors of service quality were identified by Parasuraman, Zeithaml, and Berry (1988) in their landmark work, SERVQUAL. These dimensions were R_reliability, R_responsiveness, A_assurance, E_empathy, and T_tangibles. The research underscored the significance of fulfilling or surpassing consumer expectations in several domains to augment customer contentment.

In their book, Zeithaml, Parasuraman, and Berry (1990), Tešić (2020) developed the SERVQUAL paradigm and examined the mismatch between consumer expectations and perceptions of service quality. They emphasized how crucial it is to control client expectations and constantly provide top-notch service in order to increase client happiness.

An updated model called SERVPERF was introduced by Cronin Jr. & Taylor (1992) for measuring service quality. This model concentrated on performance-only metrics instead of analyzing the discrepancy between expectations and perceptions. The writers made the case that client opinions about the calibre of services had a direct bearing on customer happiness.

In their 1994 comparison of various service quality scales, Parasuraman, Zeithaml, and Berry emphasized the significance of using the right metrics to reliably gauge customer satisfaction and perceptions. They underlined that in order to satisfy changing client expectations, service quality must be continuously improved.

The study by Sudirjo et al. (2024) offers a thorough analysis of marketing and service management while highlighting the crucial part that customer management plays in service competition. In a market that is competitive, the author addresses methods for raising customer happiness, strengthening customer connections, and providing better services.

Mamakou, Zaharias and Milesi (2024) talked about how

crucial service quality is to fostering client loyalty and happiness. The authors stress that for businesses to flourish in the service sector, they must give priority to customer-centric strategies, highlighting the connection between service quality and corporate performance.

These sources offer a strong basis for comprehending the main ideas and theories around service quality and how it affects client happiness. Building on these findings, future study in this field can investigate novel approaches to improve customer happiness in the retail industry, as well as new facets of service quality and customer expectations trends.

By highlighting variables that impact service quality, Parasuraman, Zeithaml, and Berry's (1985) Service Quality Gap Model highlights discrepancies between client expectations and perceptions. SERVPERF Model, introduced by Cronin and Taylor (1992), has been advocated as a more reliable measure of service quality than SERVQUAL since it places more emphasis on performance than gaps.

In their 1977 study, Martilla, J. A., and James, J. C. proposed the Importance-Performance Analysis (IPA) approach. In order to identify opportunities for development, this strategy evaluates the relative relevance of various service features as well as their perceived performance. Oliver (1980) discussed the Expectancy Disconfirmation Theory, which postulates that the discrepancy between service delivery and expectations determines customer satisfaction.

Shankar & Datta (2020) investigates how controlling consumer experiences can improve opinions about the caliber of services. The significance of structural, process, and outcome measures in evaluating the quality of healthcare services is emphasized by research conducted by Endeshaw (2021). The hospitality industry's service quality is the subject of research by Guo et al. (2024) which highlights the importance of customer happiness and loyalty.

A logic known as "service-dominant logic" is put out by Vargo and Lusch (2004) and holds that the main goal of economic interaction should be services rather than goods. Ali et al. (2021) examines how digital tools can either

improve or worsen service quality in his discussion of the impact of digital technology on service quality.

This overview provides a snapshot of foundational theories and contemporary issues in service quality research. Every reference provides information on a distinct facet of service quality, such as use in a variety of industries and measurement.

Research Gap for the Study

The literature assessment mentioned above points up a number of important study gaps that could help clarify how customer happiness is impacted by service quality in various retail environments. Closing these gaps will help us understand the effect of service quality on satisfaction level of customers in greater detail.

While Parasuraman, Zeithaml, and Berry (1988)'s SERVQUAL model gave five dimensions of service quality, research frequently focuses on overall service quality without comparing how these dimensions specifically impact organized versus unorganized retail outlets.

Thorough comparative study is required to determine how, in organized versus disorganized retail settings, each aspect of service quality influences consumer satisfaction in a distinct way. This entails knowing which factors, in each kind of retail environment, are most important and how they affect overall customer happiness.

The majority of research on customer satisfaction and service quality collect information from diverse industries or concentrate on particular retail formats, but they might not be able to distinguish between the particular effects of service quality in environments that are organized or unorganized. Examine the differences in the effects of service quality on customer satisfaction between organized and disorganized retail environments. Gaining knowledge about industry-specific variances will help you better understand how various retail models impact customer satisfaction and perceptions.

Addressing these research gaps will enhance the comprehension of how aspects of service quality affect consumer happiness in various retail settings. Retailers looking to enhance service quality and customer happiness

in both organized and unstructured settings will find significant insights from the study, which focuses on comparative analysis, sector-specific impacts, and customer expectations.

Objectives

1. To study the service quality of selected unorganized outlets of Kota, Rajasthan
2. To study the service quality of selected organized outlets of Kota, Rajasthan
3. To compare the service quality of unorganized and organized retail outlets
4. To compare the customer satisfaction of unorganized and organized retail outlets

Hypotheses

1. There is no significant difference in the service quality of unorganized and organized retail outlets
2. There is no significant difference in the customer satisfaction of unorganized and organized retail outlets

Research Methodology

- **Research Design:** The proposed study aims to study and compare the service quality of organized and unorganized retail outlets in Kota, Rajasthan so a descriptive research design has been used to serve the objective.
- **Sampling:** Kota city has more than 500 unorganized retail outlets and near about 80 organized retail outlets. Out of these purposively 47 unorganized retail outlets and 11 organized retail outlets were included in the sample. In total 391 customers of these retail outlets were interviewed to collect the data. The sample units have been selected with the help of purposive sampling method
- **Data Collection Tool:** To measure the service quality of any business, Parasuraman et al. (1988) developed a model named SERVQUAL Model. This model has been used in this study to measure service quality. A questionnaire was drafted to collect the data based on this model. The questionnaire was broadly divided into five sections according to parameters of service quality

i.e. reliability, responsiveness, assurance, empathy and tangibles. The questionnaire was used in online and offline mode to collect the data.

- **Data Analysis Tool:** The data collected from various retail outlets was inserted in excel sheet and after coding same was imported to SPSS 22.0. To analyse the data percentage analysis, mean and two-sample t-test were used.

Analysis of Data

As already discussed in the research methodology of the SERVQUAL Model Parasuraman et al. (1988) measure the service quality based on five dimensions, so the analysis is presented accordingly. Respondents were given the statements and they were asked to indicate their expectations and perception (experience) ranging from lowest to highest. The final opinion is ascertained with the help of the mean score.

Reliability of Retail Outlets

The reliability dimension discloses the ability of retail stores to perform any service dependently and accurately. Table 1 depicts the results of the reliability dimension of unorganized retail outlets. The expectations of customers of unorganized retail outlets were highest to get the product on time when needed (4.36) and get timely services (4.21), but against these, their experience was average (3.09) and high (3.52) respectively. The mean quality gap score was negative for every statement which highlights that customers were not experiencing things as expected. The overall gap score was negative which again proves that unorganized retail outlets were not as reliable as expected by customers.

Table 1: Reliability of Unorganized Retail Outlets

Reliability	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
I enjoy error free services of retail outlet	3.96	High	3.47	High	-0.49
There is no delay in the service performance of retail outlet	4.21	Highest	3.52	High	-0.69
Whenever I need any product the retail store is able to provide me the same	4.36	Highest	3.09	Average	-1.27
Retail outlet provides me services as promised.	3.58	High	3.41	High	-0.17
Average	4.028	High	3.373	Average	-0.655

Figure 1: Reliability of Unorganized Retail Outlets

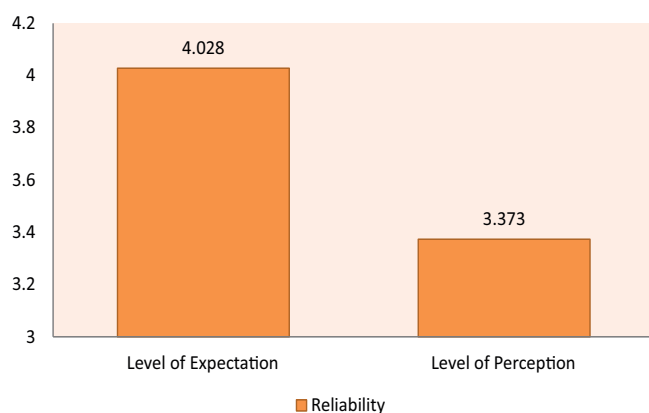
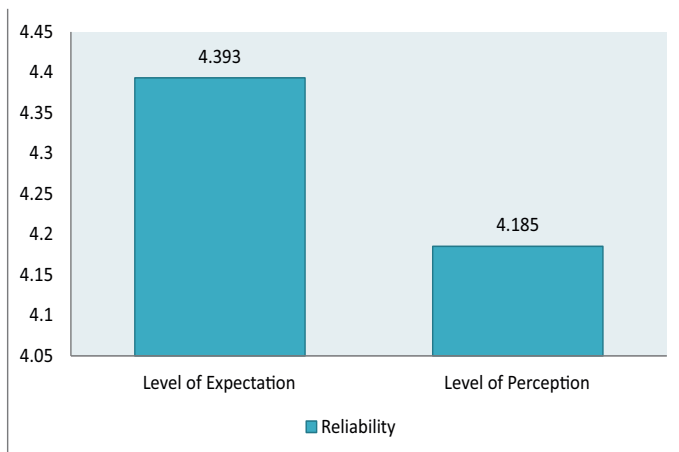


Table 2 presents the results of the reliability dimension of organized retail outlets. It can be seen that customers are getting error-free services (4.42) more than they expected (4.38). The mean quality gap score (-0.05) is negligible for the last statement which highlights that most of the time organized retail outlets are providing services to customers as promised. For the other two statements, the gap score is negative as well as the overall mean quality gap score is negative (-0.208) so it can be concluded that organized retail outlets are lacking somewhere in terms of reliability.

Table 2: Reliability of Organized Retail Outlets

Reliability	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
I enjoy the error-free services of retail outlet	4.38	Highest	4.42	Highest	0.04
There is no delay in the service performance of the retail outlet	4.57	Highest	4.11	High	-0.46
Whenever I need any product the retail store can provide me with the same	4.61	Highest	4.25	Highest	-0.36
The retail outlet provides me with services as promised.	4.01	High	3.96	High	-0.05
Average	4.393	Highest	4.185	High	-0.208

Figure 2: Reliability of Organized Retail Outlets



Responsiveness of Retail Outlets

Responsiveness is defined as the willingness of retail outlet staff to provide prompt services and help them in case of need. Table 3 highlights the results of the responsiveness of unorganized retail outlets. Customers have high expectations that they should get prompt services (3.94) and their complaints should be handled properly (3.95) however their experience was 3.09 and 3.47 respectively which highlights customers' dissatisfaction in this regard. The overall expectations of customers were high (3.795) but their perception was average (3.385), it means customers of unorganized retail outlets were not fully satisfied with the responsiveness dimension.

Table 3: Responsiveness of Unorganized Retail Outlets

Responsiveness	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
My complaints are properly handled by retail outlet staff	3.95	High	3.28	Average	-0.67
Retail outlet staff willingly help me every time	3.62	High	3.58	High	-0.04
I always get prompt service from retail outlet staff	3.94	High	3.27	Average	-0.67
Retail outlet staff tell exactly when services will be provided	3.67	High	3.41	High	-0.26
Average	3.795	High	3.385	Average	-0.41

Figure 3: Responsiveness of Unorganized Retail Outlets

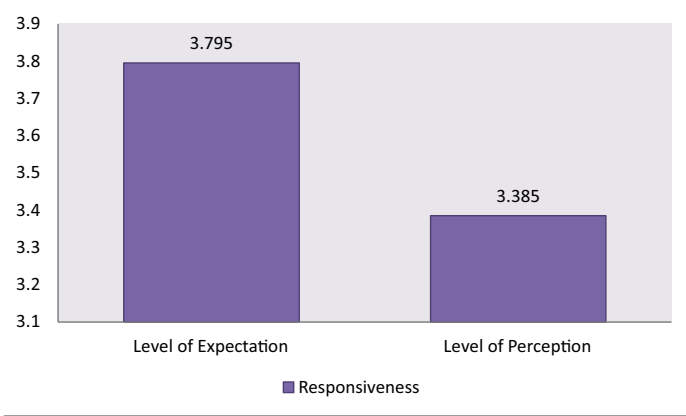


Table 4 depicts the results of the responsiveness dimension for the customers of organized retail outlets. The best part is that employees of organized retail outlets are helping customers (4.25) more than they expected (4.18). However retail staff was no able to handle customers complains properly (-0.33) as well as were not able to provide prompt services (-0.22). The gap between overall expectations (4.250) and perception (4.078) was negative (-0.172), which means there is a scope of improvement for organized retail store staff for responsiveness dimension.

Table 4: Responsiveness of Organized Retail Outlets

Responsiveness	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
My complaints are properly handled by retail outlet staff	4.05	High	3.72	High	-0.33
Retail outlet staff willingly help me every time	4.18	High	4.25	Highest	0.07
I always get prompt service from retail outlet staff	4.48	Highest	4.26	Highest	-0.22
Retail outlet staff tell exactly when services will be provided	4.29	Highest	4.08	High	-0.21
Average	4.250	Highest	4.078	High	-0.172

Figure 4: Responsiveness of Organized Retail Outlets



Assurance of Retail Outlets

Assurance indicates the staff knowledge, courtesy and their ability to inspire trust and confidence. Table 5 is showing the assurance offered by unorganized retail outlets and it can be seen that customers have found retail outlet staff more courteous (3.98) than they expected (3.87). But on the other side unorganized retail outlets were neither having sufficient product knowledge (-0.37) nor they were able to instill confidence in customers (-0.37). Overall negative mean quality gap score (-0.225) projects that lack of unorganized retail outlet staff's knowledge, courtesy and ability to inspire trust and confidence.

Table 5: Assurance of Unorganized Retail Outlets

Assurance	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
I always find retail outlet staff courteous	3.87	High	3.98	High	0.11
I always find retail outlet staff trustworthy	4.12	High	3.85	High	-0.27
Retail outlet staff is able to instill confidence in customers	4.11	High	3.74	High	-0.37
Retail outlet staff has sufficient product knowledge	3.98	High	3.61	High	-0.37
Average	4.02	High	3.795	High	-0.225

Figure 5: Assurance of Unorganized Retail Outlets

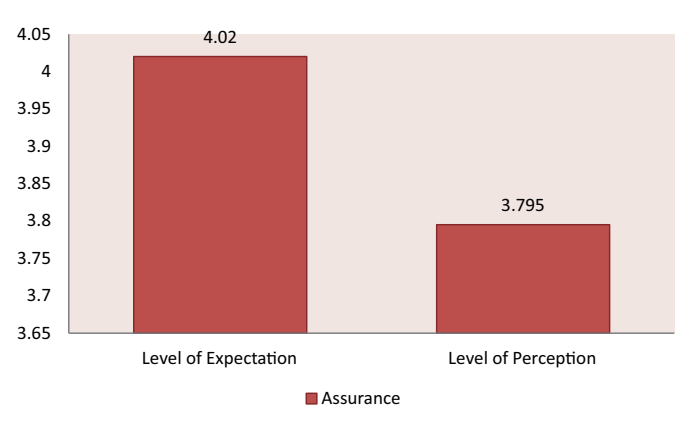
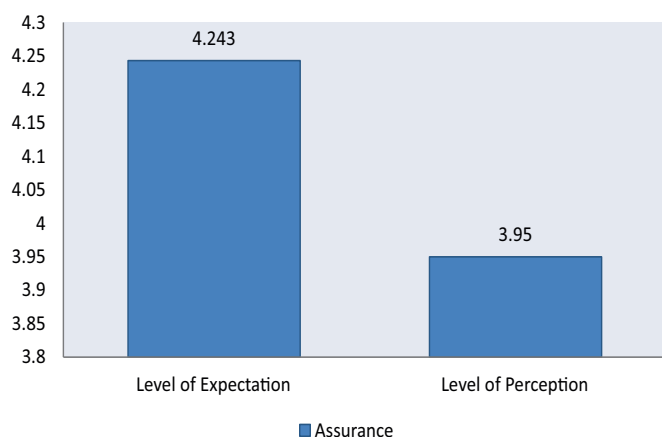


Table 6 is showing the results of assurance dimensions of organized retail outlets. The mean quality gap score is negative for all statements except for one statement. The overall mean quality gap score is also negative (-0.293) so it can be said that organized retail outlet staff were not having staff's knowledge, courtesy and ability to inspire trust and confidence among customers. The highest mean quality gap score (-0.47) was for last statement which reveals that retail outlet staff do not have sufficient product knowledge.

Table 6: Assurance of Organized Retail Outlets

Assurance	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
I always find retail outlet staff courteous	4.25	Highest	4.32	Highest	0.07
I always find retail outlet staff trustworthy	4.19	High	3.78	High	-0.41
Retail outlet staff is able to instill confidence in customers	4.05	High	3.69	High	-0.36
Retail outlet staff has sufficient product knowledge	4.48	Highest	4.01	High	-0.47
Average	4.243	Highest	3.950	High	-0.293

Figure 6: Assurance of Organized Retail Outlets



Empathy of Retail Outlets

When the retail outlet staff put efforts to understand customers' requirements by the means of caring and individualized attention then it is termed as empathy. Table 7 is showing the results of empathy dimension of unorganized retail outlets. It can be seen that customers expectations are high (3.99) about getting personal attention from retailers but in against to this their actual experience is average (3.38) only. The mean quality gap scores are ranging from -0.13 to -0.61 with the average gap score of -0.433. So overall it can be concluded that unorganized retail stores are lacking on empathy dimension.

Table 7: Empathy of Unorganized Retail Outlets

Empathy	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
I always get personal attention from retail outlet staff	3.99	High	3.38	Average	-0.61
Retail outlet staff understand my needs	4.28	Highest	3.72	High	-0.56
Retail outlet has convenient operating hours	4.08	High	3.95	High	-0.13
Average	4.117	High	3.683	High	-0.433

Figure 7: Empathy of Unorganized Retail Outlets

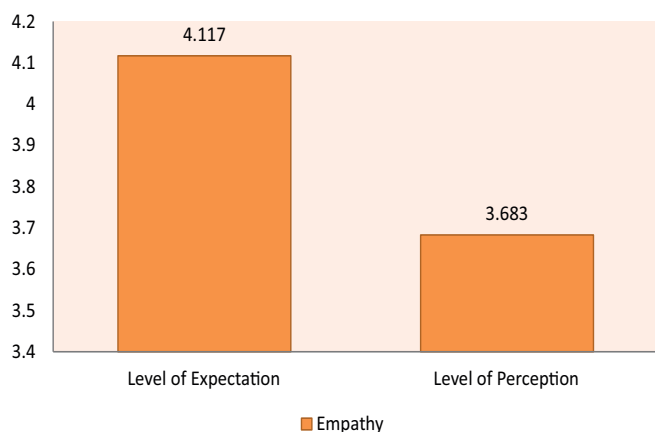
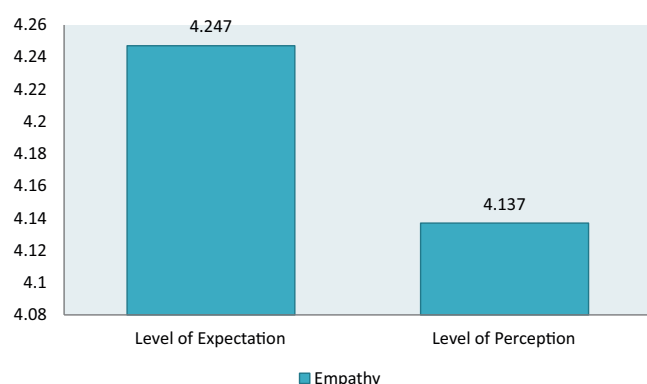


Table 8 is depicting the results of empathy dimension for organized retail outlets. Customers indicated that they get personal attention from staff (4.27) more than they expected (4.08), but the same staff is not able to understand their needs properly (-0.35). The customers' expectations for the empathy dimension was highest (4.247), however their actual experience was high (4.137) only. The negative mean quality gap score (-0.110) show that staff of organized retail outlets need to work on their empathy dimension.

Table 8: Empathy of Organized Retail Outlets

Empathy	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
I always get personal attention from retail outlet staff	4.08	High	4.27	Highest	0.19
Retail outlet staff understand my needs	4.17	High	3.82	High	-0.35
Retail outlet has convenient operating hours	4.49	Highest	4.32	Highest	-0.17
Average	4.247	Highest	4.137	High	-0.11

Figure 8: Empathy of Organized Retail Outlets



Tangibles of Retail Outlets

Tangibles dimension is all about the appearance of the physical facilities and material related to retail outlet. Table 9 is showing the data about tangibles of unorganized retail outlets. It can be seen that customers' expectations are high for every statement but the actual experience is average only. The overall difference in customers' expectation (3.660) and perception (3.210) is negative (-0.450), which means that customers were not satisfied with the tangibles of unorganized retail outlets.

Table 9: Tangibles of Unorganized Retail Outlets

Tangibles	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
Retail outlet is neat and clean	3.85	High	3.39	Average	-0.46
Retail outlet has sufficient space	3.72	High	3.29	Average	-0.43
Retail outlet has attractive appearance	3.65	High	3.11	Average	-0.54
Retail outlet has modern equipment & fixtures	3.42	High	3.05	Average	-0.37
Average	3.66	High	3.21	Average	-0.45

Figure 9: Tangibles of Unorganized Retail Outlets

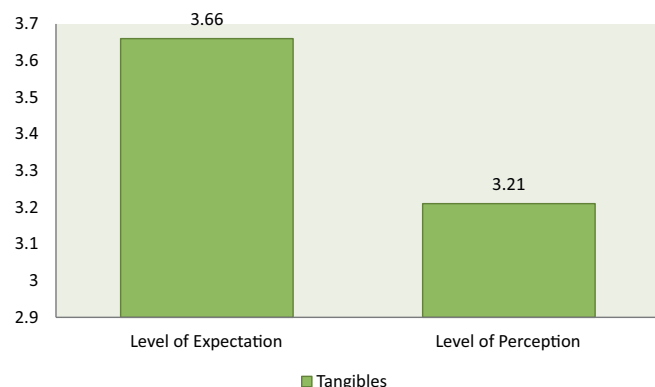
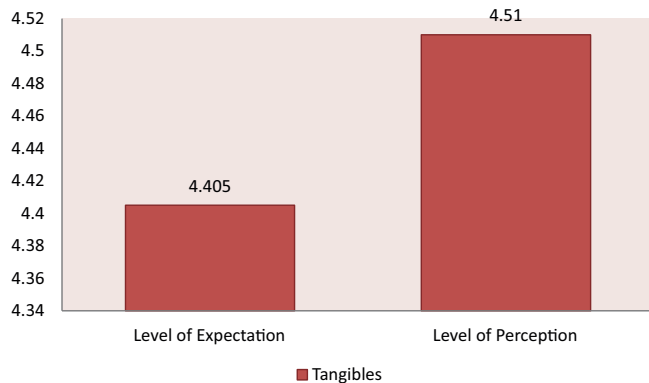


Table 10 presents the results of tangibles of organized retail outlets. Customers indicated that they found retail outlets neater and cleaner (4.35) as expected (4.28), found more attractive (4.59) as expected (4.47) and observed more modern equipment and fixtures (4.62) as expected (4.35). The mean quality gap score is positive (0.105) it means that customers were satisfied with the tangibles of organized retail outlets.

Table 10: Tangibles of Organized Retail Outlets

Tangibles	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
Retail outlet is neat and clean	4.28	Highest	4.35	Highest	0.07
Retail outlet has sufficient space	4.52	Highest	4.48	Highest	-0.04
Retail outlet has attractive appearance	4.47	Highest	4.59	Highest	0.12
Retail outlet has modern equipment & fixtures	4.35	Highest	4.62	Highest	0.27
Average	4.405	Highest	4.51	Highest	0.105

Figure 10: Tangibles of Organized Retail Outlets



Overall Service Quality of Retail Outlets and Customers' Satisfaction

Table 11 presents the summary of service quality dimensions of unorganized retail stores. It is clear that customers' expectations with every dimension of service quality is high ranging from 3.660 to 4.117 but actual experience for three dimensions was average for three dimensions and high for two dimensions. But the mean quality gap score was negative for all the five dimensions. The gap was highest for reliability dimension (-0.655) and it was lowest for assurance dimension (-0.225). The overall mean quality gap score was negative (-0.435) which means that customers of unorganized retail stores are not getting the service quality as per their expectation which causes dissatisfaction among them.

Table 11: Overall Service Quality of Unorganized Retail Outlets

Overall Service Quality	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
Reliability	4.028	High	3.373	Average	-0.655
Responsiveness	3.795	High	3.385	Average	-0.410
Assurance	4.020	High	3.795	High	-0.225
Empathy	4.117	High	3.683	High	-0.433
Tangibles	3.660	High	3.210	Average	-0.450
Average	3.924	High	3.489	High	-0.435

Similarly, Table 12 shows the service quality of organized retail stores. The customers have indicated satisfaction with tangibles as the mean service quality gap score is positive for this dimension. For other dimensions the gap score was negative so it means customers were dissatisfied with reliability, responsiveness, assurance and empathy of

organized retail stores. The customers' expectation with the service quality of organized retail stores was highest (4.307) but their actual experience was high only (4.172). The negative gap score (-0.136) projects the dissatisfaction of customers with service quality of organized retail outlets.

Table 12: Overall Service Quality of Organized Retail Outlets

Overall Service Quality	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
Reliability	4.393	Highest	4.185	High	-0.208
Responsiveness	4.250	Highest	4.078	High	-0.172
Assurance	4.243	Highest	3.950	High	-0.293
Empathy	4.247	Highest	4.137	High	-0.110
Tangibles	4.405	Highest	4.510	Highest	0.105
Average	4.307	Highest	4.172	High	-0.136

Comparison of Service Quality and Customers' Satisfaction of Unorganized and Organized Retail Outlets

To compare the service quality of unorganized and organized retail outlets following hypothesis has been taken:-

H01: There is no significant difference in the service quality of unorganized and organized retail outlets

H11: There is a significant difference in the service quality of unorganized and organized retail outlets

The previous sections discussed the service quality of unorganized and organized retail outlets so to test this

hypothesis two sample t-test was used as presented in table 13. The value of t-statistic is significant for reliability (9.7754), responsiveness (7.4878), empathy (4.117) and tangibles (14.253) whereas it was not significant for assurance (1.7103). As the majority of values are significant so null hypothesis cannot be accepted and as a result it can be concluded that there is a significant difference in the service quality of unorganized and organized retail outlets. For all the dimensions the mean scores of organized retail outlets are higher than the scores of unorganized retail outlets so it can be concluded that service quality of organized retail outlets are higher than the unorganized retail outlets.

Table 13: Comparison of Service Quality of Unorganized and Organized Retail Outlets

Attributes		Mean	S.D.	t-value	P-value	Result
Reliability	Unorganized	3.373	1.289	9.7754	0.00	Significant
	Organized	4.185	1.018			
Responsiveness	Unorganized	3.385	1.365	7.4878	0.00	Significant
	Organized	4.078	1.219			
Assurance	Unorganized	3.795	1.211	1.7103	0.0876	Not Significant
	Organized	3.95	1.321			
Empathy	Unorganized	3.683	1.621	4.117	0.00	Significant
	Organized	4.137	1.458			
Tangibles	Unorganized	3.21	1.012	14.253	0.00	Significant
	Organized	4.51	0.987			

Level of significance = 5%

To compare the customer satisfaction of unorganized and organized retail outlets following hypothesis has been taken:-

H02: There is no significant difference in the customer satisfaction of unorganized and organized retail outlets

H12: There is a significant difference in the customer satisfaction of unorganized and organized retail outlets

The results of overall service quality concluded that customers of unorganized as well as organized retail outlets

are not satisfied but to measure difference in their satisfaction level t-test was applied as shown in table 14. The t-statistic is significant so it can be concluded that there is a significant difference in the customer satisfaction of unorganized and organized retail outlets. The mean satisfaction score of unorganized retail outlets is higher than the organized retail outlets so it can be inferred that customers of unorganized retail outlets are more dissatisfied as compared to the customers of organized retail outlets.

Table 14: Comparison of Customer Satisfaction of Unorganized and Organized Retail Outlets

Customer Satisfaction	Mean	S.D.	t-value	P-value	Result
Unorganized	-0.435	2.876	1.978	0.048	Significant
Organized	-0.135	0.765			

Level of significance = 5%

The results indicated that service quality of unorganized retail stores is lacking on all the five dimensions. It is seen that unorganized retail outlets are far lacking on reliability however by putting little efforts they can do good in assurance dimension. In case of organized retail outlets, the stores are doing good on tangibles dimension but they are also lacking behind on reliability, responsiveness, assurance and empathy dimension. The comparison of service quality of unorganized and organized retail outlets depicted that service quality of organized retail stores is better than the service quality of unorganized retail stores. The customers of organized and unorganized retail stores indicated dissatisfaction but the customers of unorganized customers were more dissatisfied than the customers of organized retail outlets.

Discussion

Service Quality of Unorganized Retail Stores

Finding of study states that Unorganized retail stores are found lacking across all five SERVQUAL dimensions, with a notable deficiency in reliability. However, with minimal effort, improvements can be made in the assurance dimension.

According to Mamakou, Zaharias, and Milesi's research from 2024, reliability—the capacity to provide services as promised on a regular basis—is essential to total service quality. Reliability can suffer greatly in disorganized retail environments, which frequently lack standard operating procedures and quality standards. This is consistent with the observation that disorganized retail establishments have reliability issues. However the finding from this study suggest that with focused training and policy adjustments, it is possible to improve the assurance component, which entails giving clients confidence through expertise and civility. Overall consumer perceptions can be improved by making even modest changes in this area. This finding is critical and unique contribution to the existing literature.

Service Quality of Organized Retail Stores

Finding of study states that Organized retail outlets perform well on the tangibles dimension but lag in reliability, responsiveness, assurance, and empathy. Organized retail stores often excel in tangibles (physical appearance and equipment) because of their regulated surroundings and brand investments (Bellet, De Neve & Ward, 2024). This is in line with the observation that well-organized shops do well in this regard. The difficulties with dependability, certainty, responsiveness, and empathy are indicative of the

difficulties organized retailers encounter in upholding a constant level of service quality in all areas. The challenge identified by this research will help organised retailer to work in this dimension. According to research by Guo et al. (2024), inefficiencies in the system and employee training are just two examples of the reasons why even structured merchants may have trouble in these areas.

Comparison of Service Quality

According to results, organized retail stores generally offer better service quality compared to unorganized retail stores. According to a number of studies, organized retail locations typically provide higher-quality services than unstructured ones because of improved management techniques, established operating procedures, and investments in infrastructure and training (Chen et al., 2020). This is in line with the discovery that well-organized stores offer higher-quality customer service.

Customer Satisfaction Levels

Both organized and unorganized retail customers expressed dissatisfaction, but unorganized retail customers were more dissatisfied. The general findings that lower customer satisfaction in unorganized sectors is caused by worse service quality are consistent with the higher degree of discontent among unorganized retail customers (Rashid & Rasheed, 2024). This disparity is frequently ascribed to unorganized retail's uneven customer service and absence of established customer service procedures. Customer satisfaction levels are significantly impacted by service quality, with lower quality resulting in increased unhappiness, according to research by Sudirjo et al.(2024). This finding that customers of disorganized retail establishments experience higher levels of dissatisfaction than those of organized retailers will shift the focus of disorganized retailers to improve the service quality at par with organized ones.

Conclusion

The results are consistent with previous research demonstrating the notable differences in service quality between retail environments that are organized and those that are not. Retail establishments that are disorganized struggle with every SERVQUAL aspect, whereas

organized stores typically do better, particularly in tangibles. Nonetheless, organized retailers also have problems in a number of important areas, which may have an effect on total customer satisfaction. In both kinds of retail environments, service quality and customer happiness can be raised by addressing these problems with focused solutions.

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