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SERVICE QUALITY AND THE SMALL APPAREL
SPECIALTY STORE: PERCEPTIONS OF
FEMALE CONSUMERS

THESIS

Presented to the Graduate Council of the
University of North Texas in Partial
Fulfillment of the Requirements

For the Degree of

MASTER OF SCIENCE

by

Delores Kay Knight, B. A.

Denton, Texas

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Service quality defined by the customer is an important element in satisfying customers and may determine retail survival. The SERVQUAL instrument measured desired and minimum expectations and perceptions of service quality in a small apparel specialty store. Factor analysis with varimax rotation resulted in three dimensions of service quality for both desired and minimum levels of expectations and perceptions: (a) Personal Attention, (b) Reliability, and (c) Tangibles. Regression analyses determined the relationship between overall service quality (OSQ) and various predictor variables. Based on gap scores between desired expectations and perceptions, the Personal Attention and Tangibles dimensions were significant in predicting OSQ. SERVQUAL is a managerial tool that small apparel retailers may use to improve service quality.

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CHAPTER I

SERVICE QUALITY AND THE SMALL APPAREL SPECIALTY STORE: PERCEPTIONS OF FEMALE CONSUMERS

Introduction

Increased competition, an uncertain economy, changing demographic characteristics, and new consumer buying behavior were major causes for the failure of more than 60,000 retail businesses in the United States between 1989 and 1992 (Reynolds & Mehmert, 1994). Some experts believe that one-half of today's retail businesses will close by the year 2000 (Logan, 1994).

Many of these retail failures may be a result of increased retail space and decreased spending patterns. Retail space increased from eight square feet per person in the early 1970s to more than 18 square feet by the end of the 1980s. During this time, retail sales in constant dollars fell from approximately \$190 to approximately \$160 per square foot. Because growth in population and disposable income were flat during this time, increased market share for a retailer usually came at the expense of another retailer.

In order to keep current customers while adding new ones, retailers have to develop new strategies for

satisfying customers. Service quality is an important element in customer satisfaction and can lead to the retailer's survival through increased market share and increased profits (Morey, 1980; Pickle, Abrahamson & Porter, 1970-71; Rust & Zahorik, 1993). Providing service quality can give retailers a competitive edge and it may be critical for their survival, especially small retailers (Finn & Lamb, 1991; Gaskill & Kunz, 1991; Parasuraman, Zeithaml & Berry, 1988) who own stores in one or two locations with gross sales under \$2 million (Logan, 1995).

Since service quality may be critical to business success, the retailer needs to know how the customer defines service and which services are valued most (Berry, Parasuraman, & Zeithaml, 1994; Funston, 1992; Mason, 1992; Oliver, 1981). A customer's value orientation is that aspect of the product or service that is considered most important; it is the specific product or service dimension on which the customer focuses. Because the customer's value orientation is linked to satisfying needs and it changes over time, periodic evaluation by the retailer is necessary (Brown, Churchill & Peter, 1993; Kardon, 1992). Parasuraman et al. (1988) developed a service quality scale (SERVQUAL) to measure the customer's perceived service quality which they subsequently refined in 1991, 1993, and 1994. SERVQUAL can be used by retailers to measure their customer's expectations and perceptions of service quality. It is

useful in comparing a customer's perceptions of service quality of a retailer over a period of time, and it can be used to compare the perceived service quality of one retailer to that of another (Parasuraman et al., 1988).

Specialty retailers are in a position to compete favorably when delivering service quality that is valued by customers. Specialty stores usually carry a narrow but deep assortment of merchandise in a specific category, such as sportswear, that appeals to a specific target market (Berman & Evans, 1989). Part of the specialty store's appeal to the targeted customer is the expectation of extensive, flexible customer services. Berman and Evans further stated that small specialty retailers are usually in a position to customize services because they directly interact with their customers and they may have a greater awareness of customer needs.

Purpose

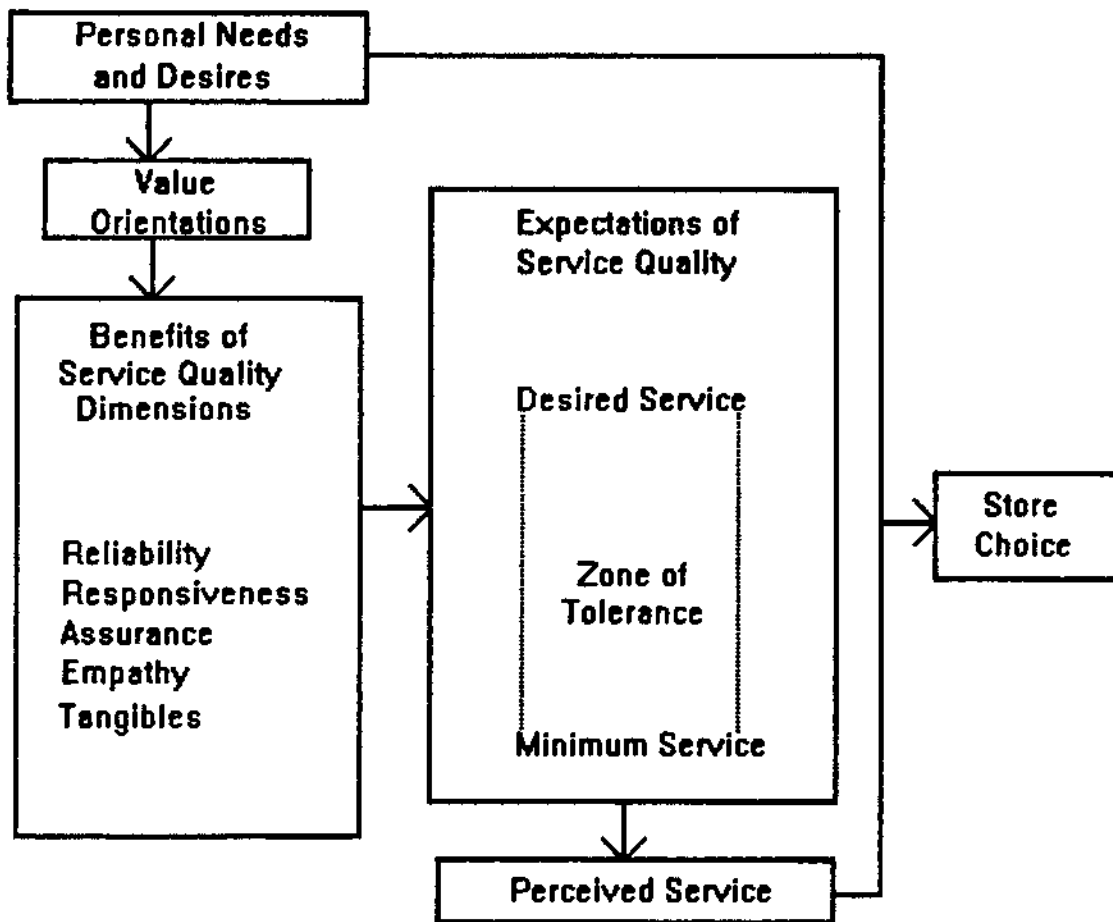
The purpose of this study was to determine if the level of difference between expectations (desired and minimum) and perceptions of service quality were inversely related to the customer's perception of overall service quality (OSQ). A secondary purpose was to determine if scores on dimensions of service quality and selected individual characteristics could predict the customer's perceptions of OSQ.

Conceptual Framework

The framework presented in Figure 1 is a modification of a model by Parasuraman, Zeithaml, & Berry (1985) and Parasuraman, Zeithaml, & Berry (1994) which provided the conceptual framework for this study. Personal needs and desires are the core of personal values which makes it important to understand the relationship between these two concepts. Maslow's Hierarchy of Needs theory explains the human needs concept. It is based on four premises. The first is that all humans have a similar set of needs which include: physiological, safety, belongingness, esteem, and self-actualization. Secondly, there are some needs that are more basic than others. The third premise is that the most basic needs must be met at a minimum level before the individual is motivated to meet other needs. The last premise is that when the basic needs are met, the customer will be motivated to satisfy the next level of needs (Hawkins, Best, & Coney, 1989; Saleh & Ryan, 1991).

As personal needs change, the value of benefits related to the expectation of service quality changes. Furthermore, as a customer attempts to satisfy needs, values are formed. Values guide the customer as he or she attempts to meet personal needs since values are "conceptions of benefit that influence the selection and appraisal of actions and events" (Clifford, 1989, p. 19).

Figure 1
Conceptual Framework



(Modified from Parasuraman, Zeithaml, & Berry, 1985 & 1994.)

The customer's value orientation to service is the importance he or she gives to desired service benefits in order to meet personal needs. A value orientation to service may change as the situation changes (Schlater & Sontag, 1994; Sontag & Schlater, 1995) and can impact both store selection and desired service quality benefits.

The shopping experience is the interaction between the customer and the service provider (Schlater & Sontag, 1994; Sontag & Schlater, 1995). Expectations of service quality are beliefs the customer holds prior to the shopping experience. These expectations include the services that the customer believes the retailer should provide. Expectation of service quality includes both a desired level and a minimum level. The difference between the two levels of service quality is referred to as the zone of tolerance and indicates the parameters of the level of service quality expected by the customer (Parasuraman et al., 1994).

Perceived service quality is the level of service the customer believes the retailer did provide. Perceived service quality is measured in relation to expectation of service quality and it may: (a) exceed the customer's expectation of service quality, (b) fall within the zone of tolerance, or (c) fail to meet the expectation of service quality. The perceived service quality can also result in changes in the customer's perception of personal needs. During the shopping experience, a customer may receive a

service she did not know existed. As a result of that experience, the customer may give value to the service and determine a personal need for it. Thus, perceived service quality can change or reinforce individual needs and value orientations.

For many retailers, delivering service quality as defined by the customer may mean the difference not only in surviving, but also in being profitable. Therefore, it is important to be able to measure the perceived service quality of the store and compare it with the customer's expectation of service.

Rationale

This study provided a small apparel specialty retailer with information regarding: (a) the usefulness of SERVQUAL as a measure of perceived service quality in the small apparel specialty store, and (b) the dimensions that could be used to predict perception of OSQ in the small apparel specialty store. Several studies (Berry et al., 1994; Kardon, 1992) have shown that providing service quality can result in more new customers, fewer lost customers, and increased business with existing customers. If it can be determined which service attributes are most important to the customer of the small apparel specialty store, then other small apparel specialty stores may use their resources of time, energy, and money to attract new customers, lose fewer customers, and increase business with existing

customers. This strategy could result in not only survival, but increased market share.

Limitations

1. The sample was limited to customers whose names and addresses were in the database of a small apparel specialty store in a North Central Texas city with a population of 65,000.
2. The study investigated customers of one small apparel specialty store.

Delimitations

1. The population studied was limited to the customers of one small apparel specialty store.
2. Customers' clothing interests may be higher at certain times of the year such as: (a) change of seasons or (b) holiday seasons. Thus, the customer's interest in responding to a survey on service quality may vary at different times of the year.
3. The questionnaires were sent in June when customers may have been busy with end-of-school activities and vacation plans.

Assumptions

Two assumptions were made. First, it was assumed that the subjects answered truthfully. Second, it was assumed that the person filling out the questionnaire was the one to whom it was addressed.

Operational Definitions

Apparel Specialty Store. An apparel specialty store is one that carries a narrow but deep assortment of casual and business apparel and accessories that appeal to a specific target market. In this study, the apparel specialty store carried a deep assortment of apparel and accessories that appealed to women aged 28 to 65 who were employed outside the home or they were homemakers who were actively involved in the community.

Expectation of Service Quality. What a customer believes a retailer should provide is that customer's expectation of service quality. In this study, expectation of service quality (desired and minimum) was based on Parasuraman et al.'s (1994) five service quality dimensions: Reliability, Responsiveness, Assurance, Empathy, and Tangibles.

Reliability was the customer's confidence in the store's service. Responsiveness was measured as the retailer's expected reaction to customer needs. Assurance was the customer's expectation of the retailer's ability to provide for a feeling of confidence in purchases. Empathy was the retailer's expected capacity for caring about individual customers. Tangibles were the expected physical aspects of service.

Overall Service Quality (OSQ). OSQ in the small apparel specialty store was the customer's general perception of the store's overall service.

Perceived Service Quality. The evaluation of the service quality that the customer believes she received during the shopping experience is her perceived service quality. In this study, perceived service quality was measured by the five dimensions of service quality: Reliability, Responsiveness, Assurance, Empathy, and Tangibles (Parasuraman et al., 1988, 1991, 1994).

Small Retailer. A small retailer is one who owns a store or stores in one or two locations and has gross sales under \$2 million (Logan, 1995). In this study, the small retailer owned an apparel specialty store in one location in a North Central Texas city with a population of 65,000.

Value Orientation to Service. The importance placed on desired benefits from service quality dimensions in order to meet personal needs and desires was the customer's value orientation (Sontag & Schlater, 1995). This was related to service in the context of purchasing clothing for personal use at full price from a small apparel specialty store.

Zone of Tolerance. In measuring a customer's expectation of service quality, it is possible that there was a desired level of service and a minimum level of service. The difference in these two levels of service was the customer's zone of tolerance in expectation of service quality. The zone of tolerance was measured as a difference score between desired service and minimum service expectations. A customer's perceived service quality from a particular

retailer may be above, within, or below the customer's zone of tolerance.

CHAPTER II

REVIEW OF LITERATURE

Introduction

The retail industry, like other U. S. industries, is in the midst of a revolution brought about by numerous factors including: (a) increasing competition, (b) changing demographic characteristics of the population, (c) evolving information technology, and (d) changing values (Eure, 1991). Retailers are being challenged to find ways to differentiate themselves from other retailers in order to gain a competitive advantage. Providing excellent quality service may be essential for retail success in the 1990s (Parasuraman et al., 1988). This chapter contains pertinent information about the: (a) economic environment of which the retail industry is a part, (b) evolving importance of quality in service as well as in products, (c) relationship of value orientations to benefits that motivate customers, (d) advantage of providing and measuring service quality in retail stores, and (e) necessity for the provision and measurement of service quality in a small apparel specialty store.

The Changing Business Climate

Because of consumer excesses which included increased consumer debt, increased spending of disposable income, and depleted savings, the 1980s came to be known as the consumer decade of conspicuous consumption. As a result of the first white collar recession in the United States, the 1990s may well be remembered as the decade consumers focused on value (Mason, 1992). For customers, value may be considered as any combination of price, exceptional quality, or service that meets the needs serviced by the organization (Logan, 1995; Mason, 1992). Value is determined by the customer and in the past it usually was related to the price paid for what was received (Caplan, 1993). However, value may now include criteria such as product reliance, quality, service, fashionability, or convenience (Caplan, 1993; Liebmann, 1992; Oesterreicher, 1993).

Most businesses, including retailers, health care providers, and government agencies, are seeking ways to improve service quality (Funston, 1992). Even Fortune 500 companies such as Marriott, Federal Express, Xerox, and Cocoa-Cola have directed major efforts toward improving their service quality because excellent service results in more new customers, fewer lost customers, and increased business with existing customers (Berry et al., 1994; Kardon, 1992).

Defining Customer Service

In many studies, customer service is defined by the organization rather than by the customer. Besides knowing how the customer defines service, the organization needs to understand which services are valued most by their customers (Berry, et al., 1994; Funston, 1992; Mason, 1992; Oliver, 1981). Values can be the standards by which the customer evaluates not only products, but also the shopping experience (Vinson, Scott, & Lamont, 1982).

Customers may have different service preferences, as well as product preferences, based on their value orientations. In addition, Vinson et al. (1982) found that value orientations changed geographically and by demographic characteristics including age, education, and income. To understand how changing values influence the customer's behavior, it is important to recognize the relationship between personal values and consumer values. According to Vinson et. al., global values, which form the core of the customer's value system, are centrally held and enduring. Domain-specific values are those associated with a particular context and are acquired through experience. Values in the consumption-related domain include: prompt service on complaints; responsiveness to customer needs; prompt, accurate information on products; concern for customer's needs; repair of defects without charge; convenient location and hours, and courteous, helpful sales

associates. Vinson et al., (1982) suggested that a retailer communicate the presence of polite, cheerful, and knowledgeable sales associates to customers who value sales associates that are courteous, knowledgeable and helpful in meeting customers' needs.

Value orientations, lifestyles, and buying styles have been used to segment markets (Hawkins, et al., 1989; Thompson & Kaminski, 1993). Knowledge about customer values gives the retailer useful information related to customer needs. If value orientations can be used to segment markets, the retailer could use this information to develop service strategies related to particular customers. Additionally, such information would be useful in the effective allocation of time, energy, and money. An organization may be using resources for services that (a) are not necessarily desirable to the customer or (b) do not represent value to the customer (Berry et al., 1994). As Kardon stated (1992), because customer needs and the values they hold are dynamic, an organization needs to be able to monitor and measure the service quality it provides to customers.

Service Quality in Business

Service quality and product quality are requirements for successfully competing in global markets. The Deming Application Prize, The Malcolm Baldrige National Quality Award, and the European Quality Award in Japan, the United

States, and Western Europe respectively were instrumental in raising quality consciousness on a global basis (Nakhal & Neves, 1994). In the 1980s, quality was seen as a product criterion unique to Japan (Miller, 1994). Some experts felt that many American companies could not compete on a global basis because of a deterioration of quality products (Shetty, 1993). In order to focus the attention of American businesses on quality, the U. S. Department of Commerce conceived the Malcolm Baldrige National Quality Award (MBNQA) which the United States Congress approved in August 1987. The MBNQA was designed to promote quality awareness, to reward achievements related to quality, and to encourage information sharing on quality strategies and their benefits. Companies in the manufacturing, service, and small business sectors were invited to apply for the award (Miller, 1994). Past winners have included Motorola Inc., Milliken, Cadillac, Federal Express, AT&T Network Systems Group, AT&T Universal Card Services, and The Ritz-Carlton Hotel Company.

The strength of the MBNQA program is information sharing and cooperation among companies. Barriers have come down and principles have transcended industries as lessons learned have become multi-industry (Miller, 1994). Many companies, service organizations, and governmental agencies have created awards patterned after the MBNQA criteria to recognize quality-related achievements (Placek, 1992). In

1991 the European Foundation for Quality Management, in conjunction with the European Commission and the European Organization for Quality, created the European Quality Award (Kochan, 1992). Milliken, a textile manufacturer, won the Malcolm Baldrige National Quality Award in 1989; and in 1993 the European division of Milliken won the European Quality Award. Milliken started with product quality and then pursued service quality as defined by their customers. Milliken is striving to take the next step in service quality by exceeding their customers' expectations (Caulkin, 1994). Milliken found that both product and service quality were more important to their customers than price when the company outscored competitors in market share, financial results and customer satisfaction.

Service Quality in Retail

Service quality in retail has been the topic of many articles in both scholarly and industry publications. The question might be asked: Why should retailers be concerned with service quality? Numerous reasons could be suggested and might include: increasing competition, changing customer characteristics, growing numbers of look-alike stores and merchandise, changing consumer values, and evolving technology.

Increased Competition

With intensified competition many businesses, including those in the retail industry, have sought to find ways to

differentiate among themselves. Researchers suggested that maintaining superior service quality may be necessary for retailers to survive (Finn & Lamb, 1991; Gaskill & Kunz, 1991; Parasuraman et al., 1988). The enormity of retail competition is illustrated by the per person increase in retail space from eight square feet in the early 1970s to more than 18 square feet by the end of the 1980s with a corresponding decline in retail sales in constant dollars from approximately \$190 to approximately \$160 per square foot. During the same time, there has been a leveling off of population growth as well as no growth in disposable income. Retail sales as a percent of disposable income declined from approximately 50 percent in the late 1970s to 45 percent in the early 1990s (Dotson & Patton, 1992; Gordon, 1994). Furthermore, shopping hours per customer dropped from 12 hours per month to only four. This was realized as trips to shopping malls decreased with the number of stores shopped per trip declining from seven to three-and-a-half. Non-store shopping sources such as mail-order businesses are growing by 12 percent annually and constitute six percent of all retail sales (Gordon, 1994). One reason for the growth in mail-order sales has been the decrease in time that is available for customers to shop (Berry, 1979).

Changing Customer Characteristics

Today 75% of women between the ages of 25 and 54 are employed; thus, for most women, free time has become more valuable (Loeb, 1994). Because of the increasing number of women in the labor force, many Americans find they don't have time to do all they want to do during their time away from work (Berry, 1979). Many families have higher incomes because they are a two-income family. Often they perceive themselves as having less time and are willing to pay for better quality goods and services (Blackwell & Talarzyk, 1983). With less time, services that save time become even more important. Successful stores will likely be those that provide the right atmosphere, the desired merchandise, knowledgeable sales associates, and services designed to make shopping easier and faster (Blackwell & Talarzyk, 1983). In order to be successful, retailers will need to know their customers and understand their value orientations related to products and services. Loeb (1994) suggested that customers will shop where their needs are anticipated and where they are met by friendly knowledgeable sales associates.

Look-Alike Retailers

Today, retailer differences in merchandise assortment, prices, and promotions are minimal (Dotson & Patton, 1992). As retail giants merged and centralized their operations, stores began to look alike, even from region to region.

Often, it is difficult to differentiate the merchandise of one store from that of another in the same shopping mall. Traditional retailers who tried to compete on price quickly learned that it was difficult to be profitable on that basis. Retailers can compete, however, with excellent merchandising, ultra-convenient stores, and knowledgeable, motivated employees (Loeb, 1994). In addition, service offers an area in which a retailer can establish an identity and gain a competitive advantage (Berry, et al., 1994; Kardon, 1992).

Value in Retailing

Customers today have many value concepts. Successful retailers are able to answer the question: What does value mean to my customer? Working women may place greater value on time; they want to shop where they can be in and out of a store quickly. For maturing baby-boomers value may be convenience, knowledgeable sales associates, and service for which they are willing to pay (Eure, 1991; Mason, 1992). Shea (1992) suggested that fewer customers enjoy shopping which suggests that it is important for the retailer to know customers' values. The key to successful retailing is providing value as defined by the customer. Just as a customer's expectation of services can change, so can his or her values (Oesterreicher, 1993) and value orientation to service may change depending on the purchase situation (Schlater & Sontag, 1994; Sontag & Schlater, 1995). A

customer purchasing clothing for personal use at the end of the season may be more motivated by a value orientation to price than by service. At the beginning of a season, the same customer purchasing clothing for personal use may be motivated more by a value orientation to expectation of service quality than by price.

One premise of Maslow's Hierarchy of Needs theory is that a need must be met at a minimal level before the individual is motivated to satisfy the next level of need (Hawkins et al., 1989; Saleh & Ryan, 1991). Therefore, a customer may take quality on a particular service element for granted and give it relatively little importance. However, should quality on that specific element be missing, the customer may value it as very important. For example, the customer of a small apparel specialty store may place little value on a visually appealing physical facility, but if that store became dilapidated, the customer may then place a greater value on a visually appealing physical store.

Changes in value orientations may be a result of many factors such as age, an uncertain job market, less optimism about the economy, or less disposable income. Currently, many customers want the desired merchandise with more service and convenience in less time. After providing quality merchandise, the retailer needs to satisfy a customer's value expectations. Once the retailer determines

what value means to the customer, the retailer can develop a strategy to address those values. Value to the customer has been associated with price, but now includes product reliance, quality, service, fashionability and convenience; it can include the whole shopping experience (Caplan, 1993; Liebmann, 1992; Oesterreicher, 1993). An excellent shopping experience can result in perceptions of quality merchandise and good value (Kerin, Jain & Howard, 1992).

Based on their shopping experience, customers may decide how to allocate their resources to meet their needs. Individual needs are the basis of value orientations which motivate consumption decisions made by the customer (Clifford, 1989; Hawkins et al., 1989). The key to successful retailing may be providing value as the customer defines it. Value in retail may mean quality products and friendly, professional service which can result in satisfied customers becoming loyal customers; the reward to the retailer can be seen in increased profits (Caplan, 1993).

Technology in Retailing

Large retailers no longer have a business advantage in technology since it is available and affordable to even the small retailer. For example, technology allows retailers to customize their inventories to their customers (Eure, 1991; Shea, 1992) by tracking information on brands, sizes, styles, and colors preferred by particular customers and notifying those customers as specific merchandise arrives.

Even small retailers can keep a leaner inventory while stocking what their customers want. By constantly communicating with customers through focus groups or workshops, retailers can plan merchandise assortments based on customer lifestyles and buying patterns (Hartnett, 1994). Although some experts believe that technology will replace many traditional retailers, technology can assist innovative retailers rather than replacing them by supporting sales and service outside the store as well as in the traditional store setting (Bates, 1990). Retailers' marketing strategies might include: arranging appointment-based shopping, display of merchandise on video catalogs, customer ordering (Bates, 1990), newsletters, or customized messages sent by computer. Bates further suggested that the best use of these innovations could be with high-ego involved merchandise, such as apparel, to a market segment that values service and is willing to pay more for it.

Measuring Quality Service

Because most services are intangible, it is difficult to measure customer perceptions of service quality. In evaluating service quality, tangibles are the service providers' physical facilities, equipment, and personnel (Parasuraman et al., 1985). Service is labor intensive and sometimes particular customer, employee, and situational attributes can create inconsistency (Oliver, 1981). The

service received by the customer may be different than that intended by the business.

Value orientation to service which leads to expectation of service quality (Burns, 1989; Richins & Dawson 1992) can change, depending on the situation (Schlater & Sontag, 1994; Sontag & Schlater, 1995), and it may serve as a basis for the customer's perception of quality. Expectations of service are the standards upon which customers base perceptions of the service provided (Parasuraman, et al., 1985). Perceived service quality is a comparison between customers' expectation and their perception of the service they received (Parasuraman, et al., 1985). Based in part on personal values and past experiences, customers expect certain services to be provided by different types of retailers (Parasuraman et al., 1985; Saleh & Ryan, 1991). Customers do not expect the same service from a discount store that they expect from a specialty store carrying higher-end merchandise (Saleh & Ryan, 1991). The perceived service quality is the degree and direction of the difference between customers' expectations and perceptions (Parasuraman et al., 1988). According to Funston (1992), the gap between expectation and perception of service quality represents areas in which the organization can direct efforts for improvement of service quality.

Service quality and its measurement have become an important aspect of retail operations (Brown et al., 1993).

A scale for measuring service quality (SERVQUAL) was developed by Parasuraman et al. in 1988 and subsequently refined in 1991, 1993, and 1994. They suggested that the SERVQUAL measure could be used in retail settings in conjunction with other service quality measures such as soliciting customer suggestions and complaints and then analyzing this information in order to find areas needing changes. Carman (1990) supported Parasuraman et al.'s (1988) suggestion for using SERVQUAL and provided further ideas for adapting the instrument to retailing. In contrast, however, some researchers (Bishop, 1992; Finn & Lamb, 1991) have suggested that SERVQUAL might not be appropriate in a retail setting because the data collected did not fit the SERVQUAL model.

Finn and Lamb (1991) used four types of stores such as (a) Wal-Mart, (b) J. C. Penny, (c) Dillard's, and (d) Neiman-Marcus to test the accuracy of SERVQUAL when used in a goods retailing context. When their findings did not fit the SERVQUAL five-dimensional model, Finn and Lamb concluded that SERVQUAL was an inappropriate service quality measurement for use in a goods retailing context. Bishop (1992) surveyed households in the Southeastern United States to determine consumer expectations of an ideal specialty clothing store offering excellent service quality. When four factors emerged through factor analysis, Bishop also suggested that the SERVQUAL was not a suitable scale for

measuring service quality in a clothing specialty store context. However, these two studies used the five-dimensional SERVQUAL model. Although Parasuraman et al. (1988) identified five dimensions of service quality: Reliability, Responsiveness, Assurance, Empathy, and Tangibles, in a later study (1994) they suggested that a three-dimensional model was tenable even though confirmatory factor analysis indicated the five-dimensional model was stronger.

Based on the five-dimensional model, Parasuraman et al. (1988) developed a framework for understanding what customers expected from service providers. Reliability is the ability to perform dependable and accurate service. Responsiveness is the willingness to provide prompt helpful service. Assurance is provided by knowledgeable employees who convey trust and confidence to the customer. Empathy is expressed through personal attention to the customer. Tangibles include the physical facilities, equipment, appearance of employees, communication materials, and hours of operation.

Of these five dimensions, Reliability has been identified as the most important. Customers want service to be reliable (Bell, 1992; Parasuraman et al., 1988). In studies completed from 1985 to 1994, Parasuraman et al. found that customers wanted basic service and did not have unreasonable service expectations. For example, in a

clothing store, basic service could mean at least two hooks in each dressing room for "take-off" and "try-on" clothing (Berry et al., 1994). Parasuraman et al. asked nineteen hundred respondents in thirteen different surveys to rate the five dimensions of Reliability, Responsiveness, Assurance, Empathy, and Tangibles. Using one hundred percent as a total, respondents assigned a percentage to each dimension based on its importance. In rank order from highest to lowest, these ratings were: Reliability (32%), Responsiveness (22%), Assurance (19%), Empathy (16%), and Tangibles (11%). Berry et al., (1994) found that a business needs to surprise customers by exceeding their expectations through uncommon courtesy, competence, commitment, or understanding. A business needs to go beyond what is expected.

Apparel Specialty Stores

The apparel specialty store usually carries a narrow but deep assortment of merchandise in a specific category such as sportswear that appeals to a specific market. The merchandise may include exclusive or unusual styles or a way of dressing. Part of the apparel specialty store's appeal is the extensive customer services usually provided by a knowledgeable sales staff (Berman & Evans, 1989; Dodge & Summer, 1969; Flaster, 1969). Once customers realize that the look of a particular specialty store is representative

of their look, they may feel confident that they can continue to find appropriate merchandise there.

Specialty store customers often prefer the small store size, atmosphere, flexible service policies, absence of crowds, and absence of merchandise not related to their needs (Berman & Evans, 1989). In addition, customers may prefer the high-quality products and service with well-displayed merchandise and knowledgeable sales associates which are often associated with the small specialty retailer.

Because service is an important aspect of the specialty store's appeal, the retailer needs to monitor the customer's perception of that service. Service quality in an apparel specialty store can be divided into store service and sales service (Gagliano & Hathcote, 1994). According to Gagliano and Hathcote, store services include: in-store credit; after-purchase adjustments; variety, quality and dependability of service; and price of after-sale service. Sales services include: knowledgeable sales associates, prompt processing of transactions, and personal attention and service. Customers define good customer service as convenient store hours, convenient parking, prompt resolution to customer complaints, displays of merchandise, availability of alterations and credit, product information, and assistance to customers (Gaskill & Kunz, 1991).

The importance of store attributes, including service, may vary with lifestyles and demographic characteristics (Hansen & Deutscher, 1977-1978; Haynes, Pipkin, Black, & Cloud, 1994). Shim and Bickle (1994) used psychographic attributes, shopping orientations, and demographic characteristics to segment female apparel shoppers by benefits sought. They identified three distinct clothing user groups: (a) Symbolic/Instrumental, (b) Practical/Conservative, and (c) Apathetic Users. The Symbolic/Instrumental group represented 51 percent of the respondents who valued self-esteem, social status, career advancement, prestige, and image enhancement. They were fashion oriented and tended to shop at upscale department and specialty stores. The Practical/Conservative group represented 35 percent of the respondents. Environmental concerns, function, and comfort were important to this group; and they preferred to shop at traditional department stores. Fourteen percent of the respondents were identified as Apathetic Users. They sought no particular clothing benefit and shopped at discount stores. This study identified the Symbolic/Instrumental group as a market segment which could be pursued by the apparel specialty retailer. In their study of apparel specialty stores, Gagliano and Hathcote (1994) found that service ranked third after merchandise and price in determining store patronage of apparel specialty store customers. Because merchandise

and price can be easily duplicated, service is an area that can give the specialty store an advantage.

Competitive pressures affect the small retailer as well as the giant retail chains; therefore, the benefits of customer service are just as great for the small retailer as they are for the large retailers (Logan, 1995). In a small apparel specialty store, there are usually no more than two levels of management (Reeves & Hoy, 1993). Because the small retailer is usually personally involved with the store's customers and can make a decision without having to get approval from other management levels, the small retailer has more flexibility in serving customers than larger retailers. They can provide the services that customers value and expect from small retailers such as: home delivery, in-home shopping, shopping by appointment, refreshments, approval systems, personal shoppers, and shipping services. Patronage patterns result from customer perceptions, images, and attitudes which are continuously reformed based on customer experiences and needs (Haynes et al., 1994).

Bates (1990) suggested that there may be new opportunities for specialty stores with a narrow focus because of two trends which result in less time for shopping: (a) changing values, lifestyles, brand preferences and shopping patterns, and (b) the increase in both two-income families and single heads-of-household.

Liebmann (1992) stated that the mass market is dead and that retailers need to specialize in order to meet the diverse needs of customers in the community it serves.

Summary

This review of literature has identified several changes such as a global economy, increased competition, and a recession which for the first time in the United States included white collar workers. These changes influenced the emphasis on quality in products and services in all areas including: manufacturing, service industries, governmental agencies, and retailing. The value placed on quality in products and services can be seen in the establishment of awards such as the Deming Prize, the Malcolm Baldrige National Quality Award, and the European Quality Award.

The relationship between personal values and consumer values was established in the literature review. Some of these values are congruent with the five dimensions identified by Parasuraman et al., (1988). Personal values motivate the customers' behavior as they seek to meet personal needs (Hawkins et al., 1989).

The retailing industry has seen major changes in consumer values as more women enter the labor force, use fewer hours to shop, and spend a lower percentage of their disposable income in retail outlets. At the same time, retail square feet per person more than doubled from 1970 to 1989, and an increased percentage of retail sales is going

to non-store sources. As a result of this situation, retail businesses are failing in record numbers. Many experts agree that the key to retail survival and success is to provide specialized merchandise and quality services to a narrow market segment. Quality services need to include those identified by the customer as having value. Because service is an important attribute of a specialty retailer, it is important to monitor the customer's perception of the service quality provided. A widely-used measure for service quality (SERVQUAL) has been used in both service and retail settings. Although the instrument is still being refined and many researchers have suggested modifications, it may be an appropriate instrument for retailers wanting to measure their service quality.

CHAPTER III

METHODOLOGY

This study determined the level of difference between expectations (desired and minimum) and perceptions of service quality and the relationship to overall service quality (OSQ). This chapter describes the procedures used to complete this investigation. Included are the hypotheses, instrument, population and sample, and statistical tests for data analysis.

Hypotheses

In this study, the customer's perceptions of OSQ was associated with the extent to which perceived service quality differed from: (a) the customer's desired service level which she believed an excellent small apparel specialty retailer should deliver and (b) the customer's minimum acceptable level of service quality. Specifically, the following hypotheses were established to test these relationships:

H1: The level of positive customer perception of OSQ provided by a small apparel specialty store is inversely related to the magnitude of the perception (P) of OSQ relative to desired expectations (DE) of service: $OSQ = DE - P$.

H2: The level of positive customer perception of OSQ provided by a small apparel specialty store is inversely related to the magnitude of the perception (P) of OSQ relative to minimum expectations (ME) of service: $OSQ = ME - P$.

Instrument

The instrument used in this study consisted of three main variables: SERVQUAL, OSQ, and demographic and individual characteristics. Measurements and type of data are shown in Chart 1.

SERVQUAL

The instrument was adapted from Parasuraman et al.'s (1994) scale which was based on their original scale developed in 1988. Based on Parasuraman, et al.'s (1988) suggestion to adapt SERVQUAL for the context in which it was used, the scale was adapted to the context of a small apparel specialty store. The instrument included 21 items measuring five dimensions of service quality: Reliability, Responsiveness, Assurance, Empathy, and Tangibles.

Reliability measured the customer's expectation of how services were performed. Attributes included: (a) service provided as promised, (b) dependable service, (c) service performed right the first time, (d) service delivered when

Chart 1

Summary of Instrument by Measures and Type of Data

MEASURES	INSTRUMENT ITEM(S)	TYPE OF DATA
<u>Section I</u>		
SERVQUAL		
Reliability	14, 23, 32, 41, 59	Interval
Responsiveness	11, 50, 61	
Assurance	8, 20, 38, 44	
Empathy	5, 59, 53, 65	
Tangibles	17, 26, 35, 47, 56	
<u>Section II</u>		
Overall Service Quality (OSQ)	5	Interval
<u>Section III</u>		
Sex	24	Nominal
Age	25	Interval
Household Income	26	Interval
Education	27	Ordinal
Marital Status	28	Nominal
Employment	29	Nominal
Clothing Expenditure	30	Interval
Yearly Store Visits	31	Interval
Years as a Customer	32	Interval

promised, and (e) keeping customers informed about when services would be performed.

Responsiveness was measured as the retailer's expected reaction to customer needs. Measured attributes were: (a) willingness to provide prompt service, (b) readiness to respond to customer's requests, and (c) willingness to help customers.

Assurance was the expectation that the retailer would provide for the customer's well being. Attributes measured were: (a) employees who instill confidence in customers, (b) a feeling of security in purchases made, (c) courteous employees, and (d) knowledgeable employees.

Empathy was the retailer's expected capacity for understanding customers. Measured were the retailer's ability to: (a) give individual attention, (b) care about customers, (c) be concerned about the best interests of the customer, and (d) understand the needs of customers.

Tangibles were the expected physical aspects of service. Attributes measured were: (a) a visually appealing store, (b) neat, well-dressed employees, (c) attractive packaging (for example, gift wrap, bags), (d) appealing displays, and (e) convenient hours.

Parasuraman et al. (1994) suggested that expectations exist on two levels: (a) desired and (b) minimum. To accommodate measuring two levels of expectations, Parasuraman et al. studied three formats: (a) a one-column format measuring perceptions only, (b) two identical side-by-side scales measuring desired expectations and perceptions, and (c) three identical side-by-side scales measuring desired and minimum expectations and perceptions. When the researchers tested the reliability and validity of each format, the alphas were consistently high (.76 to .97)

and each format possessed convergent, discriminant, and predictive validity.

This study used the three-column side-by-side format because it produced the lowest response error (resulting when minimum expectations exceeded desired expectations), had the lowest potential for inflated ratings, and produced the best diagnostic information of the three formats. Each of the three columns used nine-point Likert scales with a rating from 1 (low) to 9 (high). Expectations of service quality in a small apparel specialty store were measured with the first two columns, one for desired and one for minimum service quality levels. Respondents were asked "How do you value" each of the 21 SERVQUAL items on a minimum acceptable service level and a desired service level. The third column measured perceived service quality and included a tenth column labeled no opinion.

Overall Service Quality (OSQ)

The difference between expectations and perception of service quality has been examined in its relationship to OSQ (Brown & Swartz, 1989; Hampton, 1993). In this study, OSQ was rated on a single question, "What is your opinion of overall service quality at the small apparel specialty store in this study," on a nine-point Likert scale from 1 (low) to 9 (high).

Demographic and Individual Characteristics

Webster (1989) found that demographic characteristics were significant in perception of professional services (e.g., legal) but not for non-professional services (e.g., retailing). However, Bishop (1992) found that race, marital status, and household income were significant for some dimensions of service quality in a clothing specialty store. In an effort to examine the contributions of demographic characteristics to perception of overall service quality, the following demographic characteristics along with clothing consumption patterns in the small apparel specialty store were obtained: (a) sex, (b) age, (c) household income, (d) education, (e) marital status, (f) employment, (g) yearly expenditure for clothing, (h) number of yearly visits to make a purchase, and (i) length of time as a customer of the store in the study.

Case Studies

Case studies can be used to test general findings in order to avoid the ecological fallacy that can occur when general findings are assumed to apply to the individual situation (Babbie, 1995). Cronbach (1975) suggested that a generalization was a hypothesis until it was tested in a local situation. Therefore, the case study method was used in this research.

Population and Sample

According to Hinkle, Wiersma, and Jurs (1988), size is not the distinguishing characteristic of a population, but rather that all those who meet the requirements of membership are included. Williams (1968) stated that when time or cost prohibited measuring an entire population, a smaller sample could be used; however, the sample could be the entire population. In this study, the population was the customers whose names and addresses constituted the database of a small apparel specialty store in a North Central Texas city with a population of 65,000 and home of two major universities. Each of the 1,103 individuals in the database, with the exception of eight customers who participated in a focus group related to this study, received a questionnaire. Twenty-five surveys were undeliverable and 382 surveys were returned. Of those returned, six were unusable resulting in a sample of 376 female respondents for a response rate of 34.9%.

Data Collection

The entire population was mailed a cover letter and a self-administered survey in June, 1995 with a follow-up postcard three days later (See Appendix A for the cover letter, Appendix B for the survey, and Appendix C for the postcard). The cover letter stated that using the honor system respondents who returned the instrument by June 21 would be given a savings of 15% on merchandise purchased

before July 31, 1995 at the small apparel specialty store. The retailer also indicated in the cover letter that results of the study would be published in a future issue of the store's quarterly newsletter. Responses were returned in a stamped, self-addressed envelope to the store in this study.

Statistical Data Analyses

Upon receipt of the completed questionnaires, data were compiled and analyzed using the Statistical Program for Social Sciences (SPSS). Descriptive statistics including frequency distributions and percentages described the sample. Although Parasuraman et al. (1994) calculated mean gap scores by subtracting expectations from perceptions, a formula used by other researchers (Hampton, 1993; Saleh & Ryan, 1991.) was employed in this study. That is, mean gap scores were obtained by subtracting perceptions from expectations (DE - P and ME - P). Therefore, a positive mean gap score indicated that expectations were greater than perceptions of service. However, a negative mean gap score resulted when perceptions of service were greater than expectations. Pearson's product-moment correlations were used to test both hypotheses.

The underlying dimensions based on gap scores between desired and minimum expectations and perceptions were determined using factor analyses with varimax rotation. A factor loading of .40 or above was used as the criteria to select attributes for each dimension. Reliability analysis

based on Cronbach's (1951) alpha was used to determine internal consistency of the scales.

Regression analyses determined if dimensions generated from both desired and minimum expectations and selected individual characteristics could be used as predictor variables to indicate OSQ. Before conducting regression analyses, multicollinearity among individual characteristics was examined. Household income and marital status showed high correlation ($r = .40$) as did education and employment ($r = -.30$). Thus, only four individual characteristics were used with SERVQUAL dimension factors as predictor variables: approximate yearly clothing expenditure, number of yearly visits to make a purchase, age, and employment. A summary of the statistical tests used for data analyses is presented in Chart 2.

Chart 2

Summary of Statistical Tests Used for Analysis

Test	Variables	Criterion	Statistical Analysis
H1 H2	Gap Scores for Expectations & Perceptions <ul style="list-style-type: none"> ▪ Desired ▪ Minimum 	Overall Service Quality	Correlation Coefficient
Additional Findings	Predictor Variables for Desired Expectations <ul style="list-style-type: none"> ▪ Personal Attention ▪ Reliability ▪ Tangibles 	Overall Service Quality	Regression Analysis
	Predictor Variables for Desired Expectations <ul style="list-style-type: none"> ▪ Personal Attention ▪ Reliability ▪ Tangibles ▪ Individual Characteristics 	Overall Service Quality	Regression Analysis
	Predictor Variables for Minimum Expectations <ul style="list-style-type: none"> ▪ Minimal Personal Attention ▪ Minimal Reliability ▪ Minimal Tangibles 	Overall Service Quality	Regression Analysis
	Predictor Variables for Minimum Expectations <ul style="list-style-type: none"> ▪ Minimal Personal Attention ▪ Minimal Reliability ▪ Minimal Tangibles ▪ Individual Characteristics 	Overall Service Quality	Regression Analysis

CHAPTER IV

RESULTS AND DISCUSSION

This study determined if the level of difference between expectations (desired and minimum) and perceptions is related to OSQ in the small apparel specialty store. In addition, the study examined if service quality dimensions and individual characteristics could be used to predict OSQ in a small apparel specialty store.

Demographic Characteristics of Respondents

Demographic and consumption characteristics of the respondents in this study are described in Table 1. A small apparel specialty store appeals to a narrow market, which is supported by the somewhat homogeneous characteristics of the respondents. All of the respondents were female, and most were married (83%). The largest age range was from 45 - 54 (28.5%), followed by the 55 - 64 age group (24.5%), the over 65 age group (21.3%), and the 35 - 44 age group (17.6%).

Respondents were highly educated; 72.1% were university graduates. Of these graduates, 16.0% had some post-graduate work, and 27.9% held a post-graduate degree. These findings may be explained by the presence of two universities in the city where this retail store was located.

Table 1

Description of Respondents

Individual Characteristics	N	%
<u>Sex</u>		
Female	376	100.0
<u>Age</u>		
Under 25	5	1.3
25 - 34	26	6.9
35 - 44	66	17.6
45 - 54	107	28.5
55 - 64	92	24.5
Over 65	80	21.3
<u>Household Income</u>		
Less than \$15,000	3	.8
\$15,000 - \$24,999	3	.8
\$25,000 - \$35,999	23	6.1
\$36,000 - \$44,999	24	6.4
\$45,000 - \$54,999	39	10.4
\$55,000 - \$64,999	45	12.0
\$65,000 - \$74,999	49	12.8
Over \$75,000	170	45.2
<u>Educational Level Completed</u>		
Elementary	1	.3
High School Graduate	49	13.0
Post-Secondary (Cert/Deg)	51	13.6
University Degree	106	28.2
Some Post-Graduate	60	16.0
Post-Graduate Degree	105	27.9
<u>Marital Status</u>		
Single	16	4.3
Married	312	83.0
Divorced	12	3.2
Widowed	36	9.6

(Table continues)

Table 1 (continued)

Individual Characteristics	N	%
<u>Occupation</u>		
Employed	168	63.8
Homemaker	124	33.0
<u>Personal Yearly Clothing Expenditure</u>		
Less than \$600	15	4.0
\$600 - \$1200	104	27.7
\$1201 - \$2400	132	35.1
\$2401 - \$3600	68	18.1
Over \$3600	45	11.7
<u>Yearly Visits to Make a Purchase</u>		
Fewer Than 2	33	8.8
2 - 4	127	33.8
5 - 8	133	35.4
9 - 12	51	13.6
More than 12	28	7.4
<u>Length of Time as Store Customer</u>		
Less Than 1 Year	13	3.5
1 - 3 Years	52	13.8
4 - 5 Years	34	9.0
Over 5 Years	270	71.8

One-third of the respondents were homemakers and 63.8% were employed. The top household income range was over \$75,000 (45.2%), with \$65,000 - \$74,999 (12.8%), and \$55,000 - \$64,999 (12%) being the next two largest groups. The median range for approximate yearly expenditure for personal clothing was \$1,201 - \$2,400 and represented 35.1%

of the respondents, while 18.1% spent \$2,401 - \$3,600, and 11.7% spent over \$3,600.

About one-third of the respondents made two to four yearly store visits to make a purchase while 35.4% made five to eight visits and 13.6% visited the store nine to twelve times per year. The majority of respondents (71.8%) were store customers for more than five years.

Dimensions of SERVQUAL

Using the attributes contained in the original five-dimension SERVQUAL scale, factor analysis resulted in three dimensions in this study. A three-dimension model is consistent with Parasuraman et al.'s (1994) findings.

SERVQUAL: Desired Expectations and Perceptions

A factor analysis of the difference scores between desired expectations and perceptions resulted in a three-dimensional model which accounted for 66.4% of the variance (Table 2). Dimension one contained 11 attributes that provided a high reliability generating a Cronbach alpha (1951) of .95. All but one the attributes (convenient hours) in this study's dimension one were included in three dimensions, Responsiveness, Assurance, and Empathy in Parasuraman et al.'s (1994) study. The convenient hours attribute, which was part of the Empathy dimension in an earlier study (Parasuraman et al. 1988), was moved to the Tangibles dimension in a later study (Parasuraman et al., 1994). This dimension was labeled Personal Attention.

Dimension two was composed of six attributes that had a reliability of .87 using Cronbach's alpha (1951). Five of the six attributes were included in the Reliability dimension of Parasuraman et al.'s study (1994). The

Table 2

Factor Analysis: Gap Scores Between Desired Expectations and Perceptions (DE - P)

Variable	Loading	Eigen-Alpha	Explained Value	Variance
<u>Personal Attention</u>		.95	10.47	49.9
Customers received individual attention	.88			
Employees care about customers	.85			
Customers secure in purchases	.80			
Employees have customer's best interest	.78			
Employees understand customer's needs	.76			
Willingness to help customers	.73			
Employees instill confidence in customers	.71			
Knowledgeable employees	.68			
Readiness to respond to customers	.67			
Employees consistently courteous	.65			
Convenient hours	.59			
<u>Reliability</u>		.87	1.90	9.1
Service provided when promised	.82			
Service provided as promised	.79			
Service right the first time	.76			
Dependable Service	.67			
Knowing when service performed	.63			
Prompt Service	.49			
<u>Tangibles</u>		.79	1.56	7.4
Visually appealing store	.87			
Appealing displays	.78			
Well-dressed, neat employees	.70			
Attractive packaging	.61			

Note: DE - P means perceptions are subtracted from desired expectations.

remaining attribute, prompt service, was factored into the Responsiveness dimension in Parasuraman et al.'s (1994) study. This dimension two was labeled Reliability.

Dimension three, labeled Tangibles, consisted of four attributes which showed a Cronbach alpha (1951) of .79. These same four attributes were included in the Tangibles dimension in Parasuraman et al.'s (1994) study.

SERVQUAL: Minimum Expectations and Perceptions

When a factor analysis was completed using difference scores between minimum expectations and perceptions, three dimensions emerged which accounted for 71.3% of the variance (Table 3). Eleven attributes comprised dimension one which exhibited high reliability with a Cronbach alpha (1951) of .95. Dimension one was labeled Minimal Personal Attention. Two attributes in this dimension one, prompt service and dependable service, loaded on the Responsiveness and Reliability dimensions respectively in Parasuraman et al.'s (1994) study.

Six attributes comprised dimension two which produced a Cronbach alpha (1951) of .93. This dimension, labeled Minimal Reliability, contained two attributes, willingness to help customers and readiness to help customers, that were factored into the Responsiveness dimension in Parasuraman et al.'s study (1994).

Dimension three, labeled Minimal Tangibles, included four attributes generating a Cronbach alpha (1951) of .88.

The Tangibles dimension in Parasuraman et al.'s study (1988) included these same four attributes.

Table 3

Factor Analysis: Gap Scores Between Minimum Expectations and Perceptions (ME - P)

Variables	Loading	Alpha	Eign- Value	Explained Variance
<u>Minimal Personal Attention.</u>		.95	12.48	59.4
Employees consistently courteous	.79			
Customers receive individual attention	.77			
Employees care about customers	.74			
Employees understand customer's needs	.72			
Prompt service	.72			
Dependable service	.68			
Employees instill confidence in customers	.68			
Employees have customer's best interest	.64			
Customers secure in purchases	.62			
Convenient hours	.60			
Knowledgeable employees	.54			
<u>Minimal Reliability</u>		.93	1.45	6.9
Service provided as promised	.81			
Service right the first time	.78			
Service provided when promised	.76			
Readiness to respond to customers	.63			
Willingness to help customers	.59			
Knowing when service performed	.58			
<u>Minimal Tangibles</u>		.88	1.06	5.0
Appealing displays	.85			
Visually appealing store	.84			
Attractive packaging	.68			
Well-dressed, neat employees	.66			

Note. ME - P means perceptions are subtracted from minimum expectations.

Hypotheses Testing

Two hypotheses in this study were tested by examining the correlation between gap scores of the SERVQUAL attributes and OSQ. H1 was based on desired expectations and perceptions and H2 was based on minimum expectations and perceptions. Testing the two hypotheses in this study involved using correlation coefficients in order to examine the direction and degree of the relationship between gap scores (DE - P and ME - P) and OSQ. A total of 21 items were included in each of these analyses.

Hypothesis 1

H1 determined if customer perceptions of the OSQ of the small apparel specialty store is inversely related to the gap score between desired expectations and perceptions (OSQ = DE - P). As shown in Table 4, mean gap scores for the three dimensions using desired expectations indicated that perceptions were greater than expectations on 17 attributes. When each mean gap score was examined in its relationship with the OSQ score, significant negative correlation coefficients on 17 attributes were evident. Table 4 indicates an inverse relationship between variables in the two dimensions: Personal Attention (customers receive individual attention, employees care about customers, customers secure in purchases, employees concerned about customers best interests, employees understand customer's needs, willingness to help customers,

Table 4

Analysis of Correlation: Gap Scores (DE - P) and OSQ

Variables	Gap Score		OSQ
	M	SD	r
<u>Personal Attention</u>			
Customers receive individual attention	-.41	1.47	-.50**
Employees care about customers	-.26	1.43	-.58**
Customers secure in purchases	.02	1.10	-.60**
Employees have customer's best interests	.05	1.24	-.51**
Employees understand customer's needs	.07	1.39	-.49**
Willingness to help customers	-.14	1.22	-.67**
Employees instill confidence in customers	-.24	1.34	-.48**
Knowledgeable employees	-.07	1.14	-.30**
Readiness to respond to customers	-.03	1.05	-.50**
Employees consistently courteous	.01	1.02	-.61**
Convenient hours	-.01	1.48	-.34**
<u>Reliability</u>			
Service provided when promised	-.10	.72	-.32**
Service provided as promised	-.11	.75	-.36**
Service right the first time	-.11	.79	-.31**
Dependable service	-.24	.98	-.35**
Knowing when service performed	-.20	.90	-.28**
Prompt service	-.44	1.17	-.38**
<u>Tangibles</u>			
Visually appealing store	-.51	1.25	.08
Appealing displays	-.60	1.19	-.10
Well-dressed, neat employees	-.54	1.06	-.00
Attractive packaging	-.62	1.38	-.10

Note. A negative mean gap score results when perception of service quality is greater than desired expectations.

** $p < .01$.

employees instill confidence in customers, knowledgeable employees, readiness to respond to customers, employees consistently courteous, and convenient hours) and Reliability (service provided when promised, service provided as promised, service performed right the first time, dependable service, knowing when service will be performed, and prompt service). However, none of the four items in the Tangibles dimension was indicative of the OSQ in the small apparel specialty store. Based on these findings, H1 was accepted.

Hypothesis 2

H2 determined if customer perceptions of the OSQ of the small apparel specialty store is inversely related to the gap score between minimum expectations and perceptions ($OSQ = ME - P$). As shown in Table 5, a significant inverse relationship existed between OSQ and 14 of the 21 items in two dimensions (Minimal Personal Attention and Minimal Reliability). Table 5 shows that 10 of the 11 attributes in the Minimal Personal Attention dimension were significant at the .01 level. These attributes included: employees consistently courteous, customers receive individual attention, employees care about customers, employees understand customer needs, prompt service, dependable service, employees instill confidence in customers, employees are concerned with customer's best interests, customers are secure in purchases, and convenient hours.

The remaining attribute, knowledgeable employees, was not significant.

Table 5

Analysis of Correlation: Gap Scores (ME - P) and OSQ

Variables	Gap Score		OSQ
	M	SD	r
<u>Personal Attention & Reliability</u>			
Employees consistently courteous	-1.26	1.82	-.35**
Customers receive individual attention	-1.99	1.95	-.45**
Employees care about customers	-1.64	1.90	-.39**
Employees understand customer's needs	-2.00	1.79	-.36**
Prompt service	-1.89	1.72	-.28**
Dependable service	-1.46	1.71	-.27**
Employees instill confidence in customers	-1.69	1.79	-.31**
Employees have customer's best interest	-1.39	1.82	-.31**
Customers secure in purchases	-1.15	1.65	-.34**
Convenient hours	-1.36	1.81	-.26**
Knowledgeable employees	-1.50	1.70	-.12
<u>Minimal Reliability</u>			
Service provided as promised	-1.23	1.49	-.15
Service performed right the first time	-1.16	1.41	-.20*
Service provided when promised	-1.11	1.48	-.15
Readiness to respond to customers	-1.23	1.53	-.31**
Willingness to help customers	-1.27	1.73	-.43**
Knowing when service will be performed	-1.49	1.66	-.19*
<u>Minimal Tangibles</u>			
Appealing displays	-2.12	1.70	-.05
Visually appealing store	-2.07	1.72	-.04
Well-dressed, neat employees	-1.81	1.58	-.03
Attractive packaging	-2.24	2.02	-.08

Note. A negative mean gap score results when perception of service quality is greater than minimum expectations.

* p < .05. ** p < .01.

Two attributes in the Minimal Reliability dimension, readiness to respond to customers and willingness to help customers, were inversely related to OSQ at the .01 level of significance. Two other variables in the same dimension, service performed right the first time and knowing when service will be performed were inversely related to OSQ at the .05 level of significance. The remaining two variables, service provided as promised and service provided when promised, were not significant.

None of the four variables in the Minimal Tangibles dimension was significantly related to OSQ. Because a significant inverse relationship existed for 14 of the 21 items, H2 was accepted.

Regression Analyses

In order to investigate what SERVQUAL dimensions contribute to predicting OSQ, regression analyses were performed. Four individual characteristics (approximate yearly clothing expenditure, number of yearly visits to make a purchase, age, and employment) were included for additional findings.

Desired Expectations and Perceptions

Predictor variables for the first regression analysis included the desired expectations and perceptions dimensions (Personal Attention, Reliability, and Tangibles) and the criterion variable, OSQ. Of the three dimensions, Personal Attention ($\beta = -.79$) and Tangibles ($\beta = .30$) predicted OSQ

at a .01 level of significance. As shown in Table 6, 45% of the OSQ variance was attributed to these variables.

Table 6

Regression Analysis: Gap Scores (DE - P) and OSQ

Variable	β
Personal Attention	-.79**
Reliability	-.05
Tangibles	.30**
R Square	.67
Adjusted R Square	.45
D	3
Sum of Squares	58.36
Mean of Square	19.45
F	33.05**

Note. DE - P means perceptions are subtracted from desired expectations.

** $p < .01$.

When the four individual characteristics were included in the regression analysis, the seven predictor variables accounted for 47% of the OSQ variance. Personal Attention ($\beta = -.75$) and Tangibles ($\beta = .34$) predicted OSQ at a .01 level of significance (Table 7). None of the individual characteristics was significant. The result of this regression analysis suggests that the lower gap score of Personal Attention and the higher gap score of Tangibles predicted OSQ.

Table 7

Regression Analysis: Gap Scores (DE - P), Individual Characteristics, and OSQ

Variable	β
<u>Dimensions</u>	
Personal Attention	-.75**
Reliability	-.04
Tangibles	.34**
<u>Individual Characteristics</u>	
Approximate Yearly Clothing Expenditure	-.11
Number of Yearly Visits to Purchase	.09
Age	.11
Employed	.07
R Square	.69
Adjusted R Square	.47
DF	7
Sum of Squares	59.84
Mean of Square	8.55
F	14.55**

Note. DE - P means perceptions are subtracted from desired expectations.

** p .01.

Minimum Expectations and Perceptions

A regression analysis was conducted by using minimum expectations and perceptions dimensions (Minimal Personal Attention, Minimal Reliability, and Minimal Tangibles) as predictors and OSQ as the criterion. The result of the analysis indicated that Minimal Personal Attention

($\beta = -.73$) and Minimal Tangibles ($\beta = .44$) predicted OSQ at a .01 level of significance. As shown in Table 8, low OSQ variance (27%) accounted for by these three predictor variables indicates that variables not included in this study accounted for 73% of the variance in OSQ.

Table 8

Regression Analysis: Gap Scores (ME - P) and OSQ

Variable	β
Minimal Personal Attention	-.73**
Minimal Reliability	.06
Minimal Tangibles	.44**
R Square	.52
Adjusted R Square	.27
DF	3
Sum of Squares	34.49
Mean of Square	11.50
F	14.60**

Note. ME - P means perceptions are subtracted from minimum expectations.

** $p < .01$.

When the four individual characteristics were included in the regression analysis, the seven predictor variables accounted for 33% of the OSQ variance. As shown in Table 9, OSQ was predicted by three variables at a .01 level of significance: Minimal Personal Attention ($\beta = -.69$), Minimal Tangibles ($\beta = .44$), and approximate yearly clothing expenditure ($\beta = -.24$). The lower gap scores of Minimal

Table 9

Regression Analysis: Gap Scores (ME - P), Individual Characteristics, and OSQ

Variables	β
<u>Dimensions</u>	
Minimal Personal Attention	-.69**
Minimal Reliability	-.01
Minimal Tangibles	.44**
<u>Individual Characteristics</u>	
Approximate Yearly Clothing Expenditure	-.24**
Number of Visits Per Year to Purchase	.12
Age	.14
Employed	.03
<hr/>	
R Square	.58
Adjusted R Square	.33
D	7
Sum of Squares	42.16
Mean Square	6.02
F	8.09**

Note. ME - P means perceptions are subtracted from minimum expectations.

** $p < .01$.

Personal Attention, the higher gap score of Minimal Tangibles, and a lower yearly clothing expenditure predicted OSQ. No other individual characteristics were significant. This result may support Webster's (1989) suggestion that demographic characteristics were significant in the perception of professional service quality but were not

significant in perceptions of non-professional service. Perhaps, as Bishop (1992) suggested, merchandise and price are more important than service quality to customers of the clothing specialty store.

CHAPTER V

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Summary

The purpose of this study was to determine the extent to which the customer's perception of service quality differed from: (1) the customer's desired service level which she believed an excellent small apparel specialty retailer should deliver and (2) the customer's minimum acceptable level of service quality. A secondary purpose was to determine if scores on dimensions of service quality and selected individual characteristics could serve as predictors of overall service quality (OSQ).

The objective was to provide information that could lead to improved service quality as defined by the customers of the small apparel specialty store (Berry et al., 1994; Funston, 1992; Mason, 1992; Oliver, 1981). As many researchers have suggested (Finn & Lamb, 1991; Gaskill & Kunz, 1991; Parasuraman et al., 1988), maintaining superior service quality may be vital to the retail survival.

Emphasizing the retail industry, Chapter I focused on the rapidly changing business climate and the critical role of service quality in meeting customers' needs. In the Chapter II literature review, the strategy of service quality in retail organizations and the relationship between

service quality and individual needs were examined (Clifford, 1989; Eure, 1991; Mason, 1992; Oesterreicher, 1993). Chapter III outlined the procedures used to meet the objectives and test hypotheses and provided details of the populations and sample, data collection, and statistical data analysis. The results of data analyses were presented and discussed in Chapter IV.

SERVQUAL, an instrument developed and refined by Parasuraman et al. (1988, 1993, 1994), measured gap scores between the desired and minimum expectations and perceptions of service quality which were used in data analyses to test two hypotheses. H1: Is the level of customer perception of OSQ provided by a small apparel specialty store inversely related to the magnitude of the perception of service quality relative to desired expectations? H2: Is the level of positive customer perception of OSQ provided by a small apparel specialty store inversely related to the magnitude of the perception of service quality relative to minimum expectations?

A self-administered survey instrument was used. The three-column format of SERVQUAL was adapted in wording suitable to the context of a small apparel specialty store. A 9-point Likert scale measured desired and minimum expectations and perceptions of service quality. A single item measured overall service quality (OSQ). In addition, the survey provided descriptive information about the

respondents. The sample included the customers whose names constituted the database of the small apparel specialty store in this study. Surveys were mailed in June, 1995, with a total of 376 usable surveys returned.

Descriptive statistics profiled respondents according to sex, age group, combined household income, educational level completed, marital status, occupation, yearly clothing expenditure, number of yearly store visits to make a purchase, and length of time as a store customer. The respondents were female (100%) and most were married (83%). The largest age range was from 45 - 64 (53%). A majority of respondents (72.1%) were university graduates and of that group, many (27.9%) had a post-graduate degree. The respondents were either employed (63.8%) or homemakers (33%). Almost half of the respondents (45.2%) had annual household incomes over \$75,000. Over half of the respondents (53.2%) spent \$1,201 - \$3,600 annually on personal clothing, and many (11.7%) spent more than \$3,600. A majority (69.2%) made two to eight visits annually to make purchases at this store. Most of the respondents (71.8%) were customers of the store for more than five years.

Factor analysis determined the underlying dimensions of service quality. Using both levels of expectations (desired and minimum) and perceptions, three factors emerged for each level which supported Parasuraman et al.'s (1994) finding that a three-dimensional as well as a five-dimensional model

was tenable. Pearson's product-moment correlation was used to test H1 and H2. Both H1 and H2 were accepted.

Four regression analyses determined the relationship between OSQ, the criterion variable, and the following predictor variables : (a) dimensions based on desired expectations and perceptions (b) dimensions based on desired expectations and perceptions with four selected individual characteristics (approximate yearly clothing expenditure, number of yearly visits to purchase, age, and occupation), (c) dimensions based on minimum expectations and perceptions, and (d) dimensions based on minimum expectations and perceptions and the four selected individual characteristics.

The analysis of dimensions based on desired expectations and perceptions indicated that Personal Attention and Tangibles were significant at the .01 level and had an adjusted R square of .44. When individual characteristics were added to the analysis, Personal Attention and Tangibles were significant at the .01 level and the adjusted R square was .47. However, none of the four individual characteristics were significant.

The analysis of dimensions based on minimum expectations and perceptions resulted in Minimal Personal Attention and Minimal Tangibles significant at the .01 level. However, an adjusted R square of only .27 indicated that these two variables were not adequate for predicting

overall service quality. When individual characteristics were added to the factors based on minimum expectations and perceptions, three of the predictor variables were significant at the .01 level (Minimal Personal Attention, Minimal Tangibles, and approximate yearly clothing expenditure). An adjusted R square of .33 indicated that the addition of selected individual characteristics slightly increased the predictability of OSQ.

Conclusions

SERVQUAL is a valuable diagnostic tool for a small apparel specialty store. Using mean gap scores, the retailer can determine areas for improving service quality and can determine the value of specific service quality attributes as defined by the customer. Although this was a case study of a small apparel specialty store, results may be applicable to other small apparel specialty stores (Gilgun, 1994). Results may be generalized to other small apparel specialty stores with a comparable merchandise mix and a similar target market.

Specialty stores can be competitive. A unique feature of many small specialty stores is the ability to give customers personal attention, the most desired dimension of service quality. Personal attention includes providing individual attention, caring about customers, helping customers feel secure in their purchases, being concerned

about the customer's best interests, understanding the customer's needs, willingness to help customers, instilling confidence in customers, being knowledgeable, responding readily to customers, being consistently courteous, and providing convenient hours.

In a study where customers used a 100 point base to rank the five dimensions of service quality in order of importance using a 100 point base. Berry et al. (1994) found that Reliability (32%), ranked highest followed by Responsiveness (22%), Assurance (19%), Empathy (16%), and Tangibles (11%). However, if Responsiveness, Assurance, and Empathy comprised one dimension, as found in this study, the combined score would be 57%. It may be that personal attention is more important in a small apparel specialty store than it is in a pure service context. The importance of Personal Attention implies that sales associates who have direct customer contact may have a significant influence on the customer's perception of service. Therefore, effective resource use might include training for sales associates to provide services that the customer desires which may result in repeat customers and lead not only to survival but to success.

Based on regression analysis, the most reliable predictors of OSQ were dimensions based on desired expectations and perceptions and selected individual characteristics (adjusted R square .47). Whereas service

quality is of value to the specialty store customer, other criteria may also be important. Bishop (1992) found that service quality ranked third after merchandise and price in importance to specialty store customers. However, both merchandise and price can be easily duplicated by other retailers; therefore, service quality may give a small apparel specialty store the competitive advantage.

When customers define specific elements of service as desirable they translate this desire into action which is manifested through repeat shopping over an extended time period or yearly expenditure for clothing. Rescher (1969) argued that preferences reflect and indicate individual values and they are inherently benefit oriented. Furthermore, Rescher postulated that value subscription is manifested by verbal and behavioral action. This study established a link between a customer's value of specific service quality attributes on both desired and minimum levels and perceptions of OSQ. If a customer associates a benefit with a preference, then that preference indicates an underlying value.

This study suggests that there may be a link between value (desired benefit) and the retail service offered to customers. If as Oesterreicher (1993) suggested, value needs to be easily recognized by customers, then retailers would profit by making service offerings well known to

customers. Customers enticed into the store, may recognize the benefit of services offered and become repeat customers.

Recommendations

Data similar to that collected in this study could be analyzed on a computer spreadsheet package to ascertain if statistical results were substantially the same as results in this study. Bojanic (1991) suggested if it could be determined that valid results are obtainable at reasonable cost with only a cursory knowledge of statistics, the small retailer would have a managerial tool to determine perception of service quality in his or her store.

Customers who shop at a specialty store have some expectations of service. The perception of service quality may fall below the customer's zone of tolerance, within the zone, or it may exceed the customer's expectations. Berry et al. (1994) suggested that organizations need to surprise customers by exceeding their service expectations. A small apparel specialty store could use the zone of tolerance and the customers' perception of service to identify specific areas to target for improvement. This would allow the small apparel specialty retailer to use SERVQUAL to periodically monitor changes in customers' perceptions of service.

SERVQUAL could be used in an expanded study of several small apparel specialty stores to see if results are replicable. The study might concentrate on stores in a

large geographical area, for example, the Southwestern region of the United States, or it might include small apparel specialty stores in different regions of the United States.

This study could be expanded to compare the customer's expectations and perceptions of service quality for different types of apparel retailers. For example, the customer base for western wear retailers may be quite different from that of a children's apparel retailer. Because value must be defined by the customer, the retailer needs to offer the combination of merchandise, price, and service quality that is desired by the customer.

APPENDIX A
COVER LETTER



2430 S. I-35E
Suite 152
Denton, TX 76205

To Our Valued Customers:

Because YOU are the most important part of our business, we are asking for your help.

In order to provide you with the best possible service quality, please take 15 minutes of your time to give us your opinions and ideas on the enclosed questionnaire. Also, this information will be part of a study on service quality in retailing that I am doing as part of my Master of Science thesis at the University of North Texas. Should you choose to participate, please do not sign your name on the survey so that confidentiality of records can be maintained and your responses will not be identified with you personally. If you have any questions, please call me at 817-387-7432. I would appreciate your returning the completed questionnaire in the enclosed self-addressed envelope by June 20, 1995.

To show our appreciation for your help, you will save 15% on new fall merchandise purchased at De De's until July 31, 1995. When you make a purchase, just let us know that you returned your questionnaire.

We are striving to serve you even better, and we value your opinions and ideas. Let us hear from you today!

Sincerely,

Dee Knight

THIS PROJECT HAS BEEN REVIEWED BY THE UNIVERSITY OF NORTH TEXAS COMMITTEE FOR THE PROTECTION OF HUMAN SUBJECTS (565-3940).

APPENDIX B
SURVEY

ION 1: We would like to know your expectation of service quality when you shop at small apparel specialty stores (e.g., De De's, J. T. Clubbers, or Trini's). Please think about the two different levels of expectations defined below:

MINIMUM SERVICE LEVEL: The minimum service level you would consider acceptable.

DESIRED SERVICE LEVEL: The service level you believe an excellent store can and should provide.

Each of the following statements, please indicate: (a) your minimum service level at a small apparel specialty store by circling one of the numbers in the FIRST column, (b) your desired service level by circling one of the numbers in the SECOND column, and (c) your perception of service quality at De De's by circling one of the numbers in the THIRD column.

Statement	My MINIMUM Acceptable Service Level is	My DESIRED Service Level is	My PERCEPTION of De De's Service Quality is
	Low 1 2 3 4 5 6 7 8 9 High	Low 1 2 3 4 5 6 7 8 9 High	Low 1 2 3 4 5 6 7 8 9 High
Employees understanding needs of customers	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Employees consistently courteous	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Prompt service	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Dependable service	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Visually appealing store	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Knowledgeable employees	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Service provided when promised (e.g., alterations)	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Attractive packaging (e.g., gift wrap)	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Customers receive individual attention	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Knowing when service will be performed	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Well dressed, neat employees	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Employees instill confidence in customers	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Service provided as promised	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Customers feel secure in purchases	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Convenient hours	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Willingness to help customers	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Employees care about customers	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Appealing displays	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Services performed right the first time	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Readiness to respond to customer's requests	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Employees have customers best interest at heart	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9

SECTION II
Code 1-4

5. What is your opinion of overall service quality at De De's?

Please indicate by circling the appropriate number how important the following services are to you.

Service	Not Important 1 2 3 4 5 6 7 8 9	Very Important 1 2 3 4 5 6 7 8 9
Alterations	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Special orders	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Complimentary gift wrap	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Wardrobe planning	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Recycled packaging	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Delivery to home or office	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Layaway	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
In home shopping by approval system	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Shopping by appointment	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Mailing purchases made at store	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
New-letters	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Birthday savings	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Trunk shows	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Special shopping nights	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Fashion shows	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Reminders to family of special occasions (e.g., birthday)	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Opinion of shopping before or after regular hours	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
What is your overall satisfaction with De De's?	Low 1 2 3 4 5 6 7 8 9 High	

Over

SECTION III. PLEASE DESCRIBE YOURSELF

24. What is your sex? Circle one.
- 1 Female
 - 2 Male
25. What is your age group? Circle one.
- 1 Under 25
 - 2 25 - 34
 - 3 35 - 44
 - 4 45 - 54
 - 5 55 - 64
 - 6 Over 65
26. What is your combined household income? Circle one.
- 1 Less than \$15,000
 - 2 \$15,000 - \$24,999
 - 3 \$25,000 - \$34,999
 - 4 \$35,000 - \$44,999
 - 5 \$45,000 - \$54,999
 - 6 \$55,000 - \$64,999
 - 7 \$65,000 - \$74,999
 - 8 Over \$75,000

Section IV.

In these questions you would like to tell us about shopping in apparel specialty stores generally, or about De De's specifically? We are interested in offering merchandise and services that are important to you.

27. Education level completed. Circle one.
- 1 Elementary
 - 2 High school graduate
 - 3 Post secondary (certificate/degree)
 - 4 University degree
 - 5 Some post graduate
 - 6 Post graduate degree
28. What is your marital status? Circle one.
- 1 Single
 - 2 Married
 - 3 Divorced
 - 4 Widowed
29. What is your occupation? Circle one.
- 1 Professional (Please specify _____)
 - 2 Homemaker
 - 3 Clerical
 - 4 Sales
 - 5 Management

30. What is your approximate YEARLY expenditure for clothing? Circle one.
- 1 Less than \$600
 - 2 \$601 - \$1200
 - 3 \$1201 - \$2400
 - 4 \$2401 - \$3600
 - 5 Over \$3600

PLEASE DO NOT SIGN YOUR NAME!

A summary of this will be printed in a future issue of our newsletter. Thank you for your time and cooperation.

APPENDIX C

POST CARD



2430 S. I-35E
Suite 152
Denton, TX 76205

Hi!

Remember to return the survey you received a few days ago! Let us know you returned it, and you will save 15% on fall fashions through July 31, 1995.

Thanks a bunch!

Dee



2430 S. I-35E
Suite 152
Denton, TX 76205

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 300
DENTON, TX

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