

Zarghoon Shah Khosti

Developing service quality for Lepistö Group Oy (Hintakaari)

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Author (Authors) Zarghoon Shah Khosti	Degree Master of Business Administration	Time November 2016
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<p>Abstract</p> <p>In today's competitive world service quality plays a vital role for companies. It is needed to understand customer's expectations and perceptions of service quality. The main objective of this thesis is to find out customer satisfaction of service quality delivered to them during their shopping from Hintakaari grocery store. It is important to understand the gap between customer expectations and their perceptions of service quality from customers' perspectives in order to improve the service quality to satisfy them. In grocery stores service quality is considered significantly important because it results in customer satisfaction, customer loyalty and profitability.</p> <p>Case study research methodology was utilized as research method in this thesis, which involved in-depth study of chosen case and found answers to the research questions and explained well the selected phenomenon. Data collection was based on mixed methods using both qualitative and quantitative methods in this research. Qualitative primary data has been collected through using interviews with management and staff in order to have their view point of service quality. Quantitative customer survey questionnaire was used to gather primary data from customer, in order to know customer perspective of service quality perceptions (satisfaction) and expectations of grocery store. Secondary data was collected from scientific journals, website and books of research scholars.</p> <p>The analysis of the results and finding provided customers' experience (perceptions) and expectations of service quality. The SERVQUAL model was applied to measure service quality and the result showed that customers' expected service quality is higher than their experienced ones. Management should try hard to bring improvements in all dimensions, where expectations are higher.</p> <p>This Master's thesis provides a complete understanding of customers perceptions (satisfactions) and expectations of service quality in Hintakaari grocery store so that commissioner can utilize SERVQUAL model to measure customers' perceptions and expectations of service quality. It also gives the commissioner the possibility to find out the gap of service quality between provider and customer.</p>		
<p>Keywords service quality, perceived service quality, customer expectation, gap model, SERVQUAL instrument</p>		

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Appendix 1. Customer survey questionnaire, staff interview questions, management interview questions (with English and Finnish translation)

Appendix 2. Empirical result of customer expectations and experience (perceptions)

Appendix 3. All Respondents expectations and experiences average score and total gap score of SERVQUAL five dimensions (N=53)

1. INTRODUCTION

1.1 Research objective, problem and question

The aim of this thesis is to help Lepistö Group Oy/hintakaari to have better knowledge about their customer expectations, perceptions and satisfaction of service quality. This research gives possibility to the commissioner to develop service quality according to customer satisfaction to get best results through knowing the gap of customer expectations and perceptions of service quality.

In today's world service quality is becoming more important in grocery trade. The commissioner (Lepistö Group Oy) wishes to develop service quality for customers in Hintakaari grocery store. To know better about service quality level focusing on customer expectations and perception of service quality whether customers are satisfied or dissatisfied of current service quality in grocery store.

The main research question: *How to develop service quality in Lepistö Group Oy/hintakaari?*

In finding answers to the main research question some sub-questions are created, which are as follows:

1. What are the customer expectations of service quality from Lepistö Group Oy /hintakaari?
2. What experience does customer have about the service quality at Lepistö Group Oy/hintakaari?
3. What is the gap between customer expectation and experience?

1.2 Case company

The Lepistö- Group was founded in 1995. It is a Finnish family-owned company. The official trade name of the company is Lepistö- Group Ltd and its auxiliary

business name is Hintakaari. The company first Hintakaari store was opened in Kyröskoski western Finland in 1996. The business operations have grown to six locations in sized 1000-4000 square meters' grocery stores. The company operates now in in six different locations in Finland, such business locations are in Kyröskoski, Kouvola, Eura, Kalalahti, Pori and Loimaa.

The case company operates by the name of Hintakaari. The company has partnership with Scandic-import companies, where the company import together with other twelves dealers. They procure products from China in big containers, which benefits them to get the best price and can sell products more cheaply. The company imports products from different countries as well as sells home made products. The company goal is to sell high-quality products with cheap prices to benefit their customers. The company sells variety of products to attract more customers as much as possible.

The commissioned company is a chain of retail business, whose business includes building materials, household supplies, glass and ceramic objects, decoration supplies, toys, textiles, footwear, dry food, candy products, cleaning supplies and detergents as well as electrical products and sales other daily utilize products and provides services to customers during selling of goods.

This thesis relates particularly to Kouvola grocery store to find out customers satisfaction of service quality. The mentioned company was a job training place for the researcher. This has greatly influenced the choice of thesis topic to develop service quality for the company.

1.3 Structure of the thesis

This thesis begins with introduction of the research objective, research problem and research main question with sub questions. It is followed by the case company introduction and information related to its operations and business model. Thesis literature review included theory from relevant sources related to the researched topic, in order to answer research questions theoretically.

The third chapter includes research methodology. Research methodology consists of data collections, both quantitative and qualitative methods included, sampling and questionnaire and how this collected data is analyzed with mixed

methods. Reliability and validity of the sources and methods are described in detail.

The fourth and fifth chapters consist of results from empirical analysis of collected data. The researcher will attain key finding from results for the managerial implications. The below figure 1 shows framework of thesis structure.

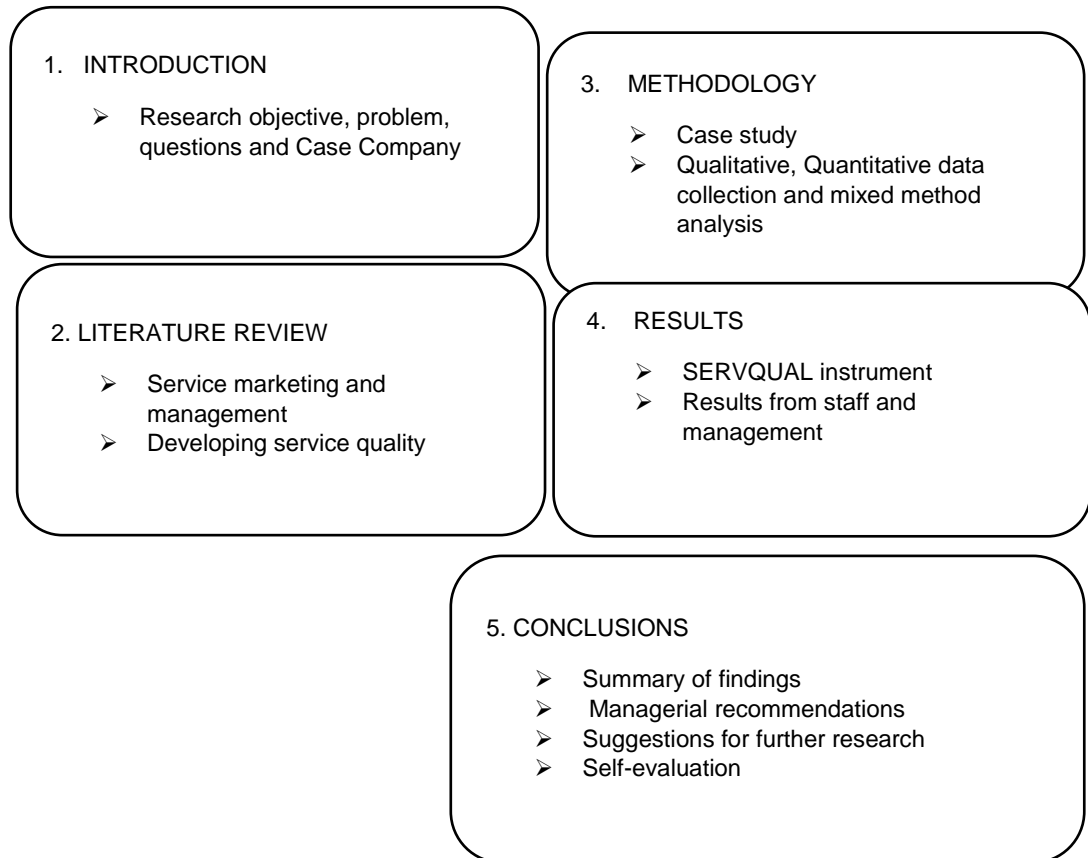


Figure 1. Framework of thesis structure

2. LITERATURE REVIEW

2.1 The concept of service quality

Service quality is the most important element of customer perceptions, in situations of customer services, where the services offered combined with physical products, service quality may also be very serious and precise in determining customer satisfaction (Zeithaml et al. 2009, 111). Grönroos (2007, 73) states quality is all what customer perceives from specific product or service. Plamer (2005, 261) defines that quality is conforming to requirements and quality is entirely about fitness for utilize, which gives priority to customer satisfactions. Service quality is the overall excellence of the service. Service quality is a form of attitude which results from expectation and perception comparison of the performance (Parasuraman et al. 1988, 15).

Grönroos (2007, 72) believes, that services are processes, where customers participate directly in the process of production and it is important to know about customer perceptions, expectations of service quality. Service quality is the comparison between expectations and perceptions of customers regarding to a particular service (Caruana et al. 2000, 1339). Grönroos (2007,73) states that the quality of a service has to define in the same way customers do it, otherwise wrong actions in quality programmes cause money and time poor investment, quality is counted what customers perceived.

Practitioners and researchers have been interested in the subject of service quality in recent years, the reason of interest in service quality results from the belief of practitioners that this has an important effect on firm bottom-line performance (Albert et al. 2000, 811). Zeithaml et al. (2009, 111) explain that customer's judge service quality on perception of technical result delivered, the way it is delivered and the quality of physical surrounding where service is delivered to customer. Customers can only define the quality of service, it occurs when organization supplies services or goods to customers that satisfies their needs, service provider understands customer needs for service development, what they really need and what customers evaluate (Palmer,

2005, 261; Grönroos, 2007, 72). Swan and Comb (1976) explained service quality two important dimensions, which are instrumental and expressive dimensions, where instrumental quality shows the physical aspect of service and expressive describes intangibles aspect (Palmer, 2005, 261). Grönroos (2007, 73) pointed out two dimensions quality of a service, technical dimensions (outcome dimension) and functional dimension (process related dimension).

What customer perceives in interactions with service provider is important for quality evaluation, internally organization think that service quality delivered to customers, however it is not the truth. It is just technical quality dimension (also called outcome quality) of the service production process. It is what the customer perceived in the result of buyer-seller interaction and service production process. Grönroos (2007) further believes that technical quality dimension will not fill the gap for total quality customer receives he has perceived. The service production process will influenced the method through which the technical quality is transferred to customer in end process or outcome. Palmer (2005, 261) believes that technical quality can be easily asses by service provider and customer. In service delivery process customer is influenced through how the quality is delivered to him. Grönroos (2007, 75) explained it as functional quality (process quality), that is how the service provider functions during service delivery process.

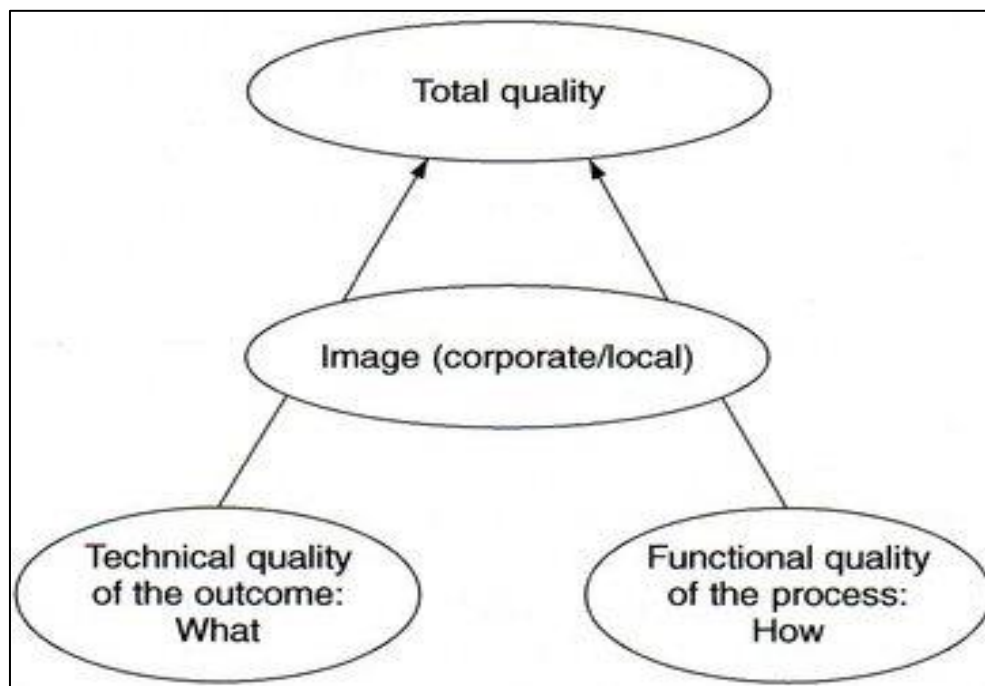


Figure 2. Service quality dimensions by Grönroos (2007, 74)

Figure 1 (one) shows two quality dimensions technical quality of the outcome and functional quality of the process. In most situation customer will know about the firm resources, methods and operating process. Company local image also plays an important role to most services, company image can affect customer perception in many ways. If service provider image is good in customer minds, small mistakes will be forgiven. Company image will be damaged if repeatedly occurs. When the image is negative in customer minds, then the quality perception is concerned. Image has to be viewed as a filter, it influences quality of service in favorable way or in negative way (Grönroos, 2007, 72-74). Palmer (2005, 262) stated that corporate image based on both technical quality and functional quality of services. If problem or claims is solved with customer satisfaction, the end result of problem or claim settling has good technical quality. If the results are complicated then the functional quality is lower and the total perceived quality is lower for customer.

2.2 Customer expectations

“Customer expectations are beliefs about service delivery that serve as standards or reference points against which performance is judged” (Zeithaml et al. 2009, 75). Customer evaluates service quality with these reference points through comparison of their perception with performance. In service delivery it is difficult to know about customer expectations about service quality, wrong actions and failure could cause of losing customers, waste of investment, time and eventually business. Customers expect some level of service quality from service provider during each transaction, it is needed to know about customer opinion of quality standards, what kind of standard customers expect. Customer assesses service quality level through comparison of service delivered to them with their expectation (Zeithaml et al. 2009, 75).

Zeithaml et al (2009, 77) stated that customer expectations are in different levels concerning service. These types consists of desired and adequate service. In desired service customer hopes to receive the service close of performance level. In adequate service customer hopes to receive their desires service but finds that it is not possible to perform service according to customer desires, customer agrees with adequate level of service. The idea that customer

recognizes at this level that they cannot always achieve the desired service quality, in such cases, customer look for a threshold (adequate service level) level of service quality. Desired service arises or stems from high customer expectation level and adequate service shows the lowest level of expectation for service.

Zeithaml et al (2009) describes level or degree of service where customer knows and like to accept the service as a customer tolerance zone.

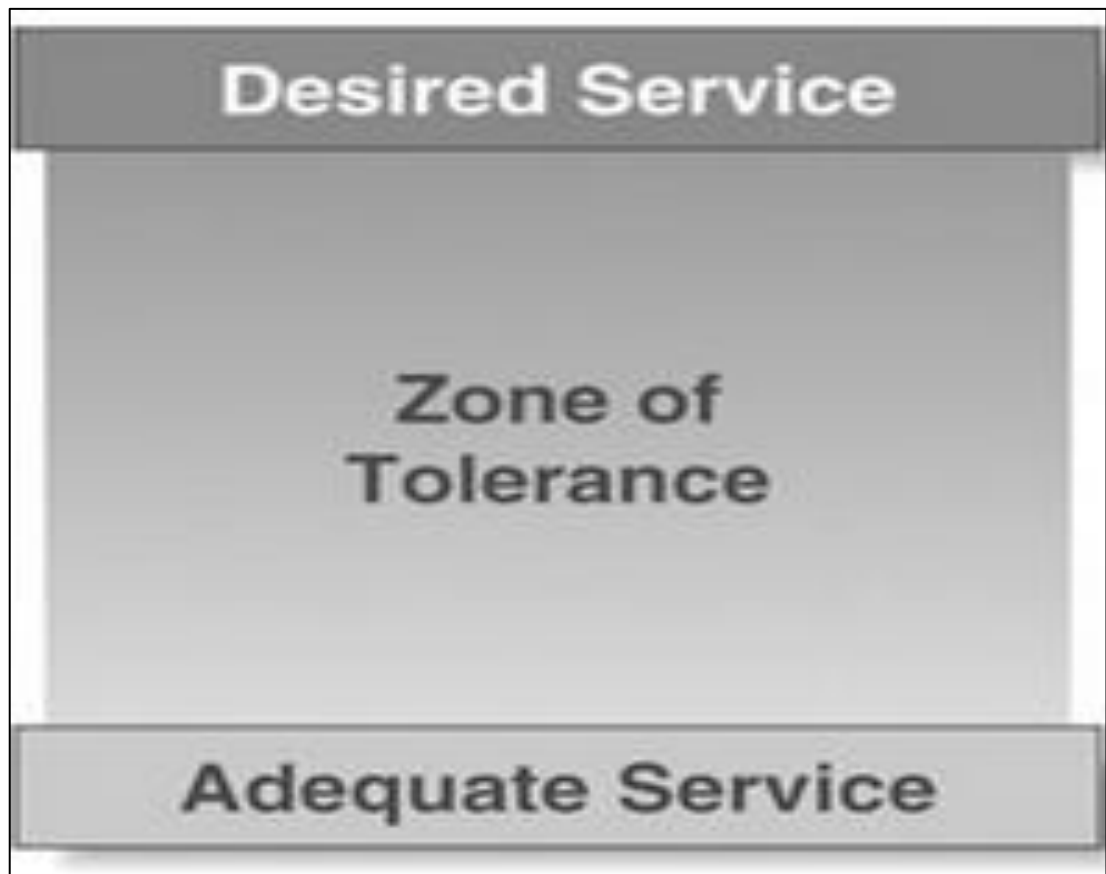


Figure 3. The zone of tolerance by Zeithaml et al. (2009, 81)

Zeithaml et al (2009,80) states if service provision is less and drops below adequate, the level is considered accepted by customer but Customer is dissatisfied with service of the company and disappointed. Customer will be happy and may be surprised, if the service level is above the tolerance zone. For example the waiting line of customers at checkout in grocery store. Customer accepts time frame for service encounter takes from five to ten minutes. If this checkout service consume this period of time, customer will not give attention to it. If customer finds that a sufficient number of service providers

at checkouts serve the customer in two to three minutes, the customer may judge the service as excellent. On the other hand if the waiting period extends to fifteen minutes then the customer is frustrated (Zeithaml et al. 2009, 80). When the customer is in hurry and waits in line for checkout, this customer may feel disappointed and rate service quality poor in his mind, more tolerance can be seen in the same customer when he is not in hurry (Nargunkar, 2010, 62). Zeithaml et al (2009, 80) support this statement that a “very busy customer is always pressed for time, desires short times on general”

Zeithaml et al (2009, 88-89) explains the sources which influences customer expectation are explicit service promises (promising exactly what will eventually delivered to customer according to customer expectation), implicit service promises, word of mouth communication and past experience. Research suggests that due to past experience delighted and happy customer may loyal or stick to brands. (Nargundkar, 2010. 62)

2.2.1 Dynamic model of expectation

Grönroos (2007,99) developed an expectation model in order to understand better customer expectations about service quality, having long term increase in service quality for customers. This model explains the original work of Ojasalo, J. 1999 that professional service quality develops in customer relationship. This is important to understand how customer expectation develops in relationship, reason is that customer may not expect the same quality service in later stage as accepted in the beginning. It is needed to know about the dynamics of expectation, gives the ability to manage expectation. Below figure 3 shows expectation model. Customer expectations are classified into three different types, fuzzy expectations, explicit expectations and implicit expectations.

- “Fuzzy expectations: this sort of expectations occurs when customers have expectation from service provider to solve a problem but do not have a clear understanding of what should be done.

- Explicit expectations: customer has a clear understanding of the explicit expectations in their mind in advance of the service process. These are classified in two types, which are realistic and unrealistic expectations.
- Implicit expectations: this expectations refers to the elements of a service that are clear for customers and do not give attention to these elements but take them for granted.” (Grönroos, 2007, 100)

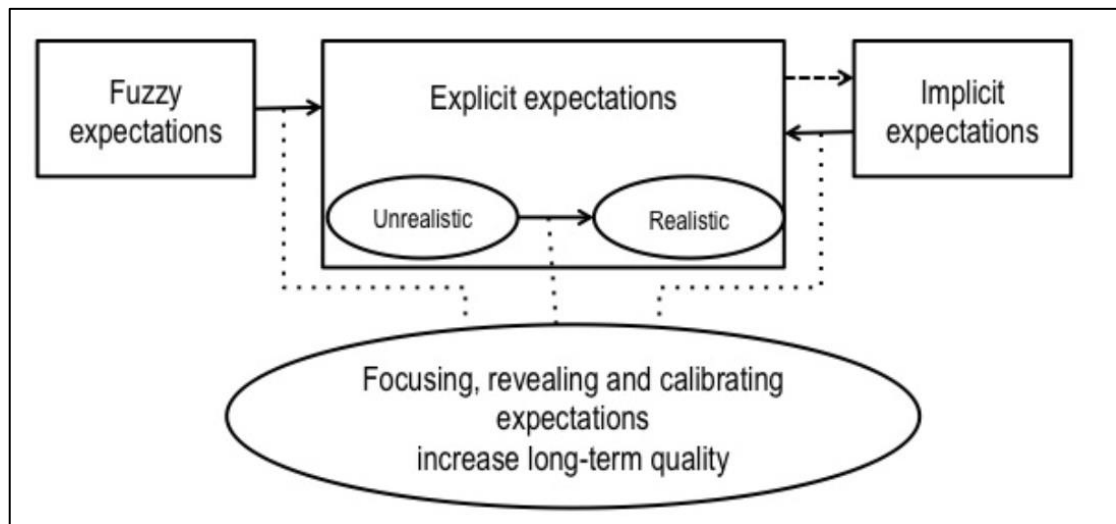


Figure 4. A dynamic model of expectations (Grönroos, 2007, 99)

It is important for service provider to know about customer fuzzy expectations, customer may have fuzzy expectations but they do not precisely formulate these expectations, it can still affect customer satisfaction about service quality, if service provider does not solve the problem and not fulfill these fuzzy expectations customer will be disappointed. From customer perspective it is needed to change the current state of service “but they do not have clear understating of what will fulfill this need”. Grönroos (2007,100) further stated that fuzzy expectations remains fuzzy if service provider does not aware of it and does not fulfill customer expectations. It can be only sure of satisfactory service delivered to customer when service provider is aware of such fuzzy expectations and formulate them clearly in explicit expectations form. If service provider failed, then they may be faced with unhappy and unsatisfied customers (Grönroos, 2007, 100).

Customers believe and assume that explicit expectations will be met and service provider tries to make unrealistic expectations into realistic expectations, in this way delivered service will met customer expectations

(Grönroos, 2007, 100-101). Service provider underpromising about service to customer make service expectation more realistic (Zeithaml, 2009, 93). If service provider make more vague or unclear promises with customer “the bigger the risk is that customer will form unrealistic explicit expectations”, such promises are tremendously dangerous because it led customer to believe that service offered will include those characteristics which are promised but not included in service (Grönroos, 2007, 100). “Customer want service to be delivered as promised” (Zeithaml, 2009, 90).

Service provider has to satisfy customer implicit expectations beside explicit expectations, because these are apparent that they are never obviously expressed to customers. Service provider may not include in service offering such elements, which are necessary to fulfill customer expectations. Customer do not give much attention to implicit expectations as long as service provider fulfilled of them. The implicit expectations become explicit expectations when customer is dissatisfied with the service provided. “It is important that service providers make sure that no implicit expectations remain undetected” (Grönroos, 2007, 101). Service provider can design service offering according to all customer expectations. In the above figure thick line “intentional dynamics” shows how service provider can manage customer expectations. If service provider focus more precisely on detection of fuzzy customer expectations then fuzzy and implicit customer expectations becomes explicit and less fuzzy. (Grönroos, 2007, 101). Understanding of customer expectations is base for improving customer service quality, because customer compares perceived service with expectations. (Liu, 2008, 41)

2.3 Customer satisfaction

Satisfaction is the evolutions of the service or product by customer whether it fulfils customer needs and expectations of service or product. Service failure results in customer dissatisfaction. "Satisfaction is the consumer's fulfillment response. It is a judgement that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment" (Zeithaml, 2009, 104). Customer satisfaction is a pleasurable fulfillment, that customer feels that "consumption fulfills some need, desire, goal, or so forth and that this fulfillment is pleasurable". (Oliver, 1999, 34) Customer satisfaction is the evaluation of service opposed to customer expectations after purchase (Liu, 2008, 40). Kotler (2012, 150) defines customer satisfaction is the feeling of delightful and disappointment, results from product perceived performance comparison by customer, if it falls customer is dissatisfied. If the performance equals the customer expectations then customer is satisfied. The customer is highly delighted if the performance is greater than customer expectations. Kyoon (2007, 912) stated that "Customer satisfaction reflects the degree to which a customer believes" that the utilization of particular service generate positive feeling.

Liu (2008, 41) pointed that customer satisfaction is the key for business success. Customer satisfaction has positive effect on buying behavior, therefore becomes a primary source of company success (Peluso, 2011, 13). Customer satisfaction evaluations on service is difficult and complex in nature. It is very essential for firm to survive in highly competitive environment to answer customer needs effectively on timely bases. (Kyoon, 2007, 912)

Customer satisfaction is a goal as well as also a marketing tool for customer focused companies. It is extremely important for companies to be concerned with their customer satisfaction in order to quickly spread good or bad word of mouth through internet to the rest of world. Customer satisfaction measurement is the key to customer retention, satisfied customer becomes loyal and buys more when companies offers new products or services, spreads good word of mouth to others about the products and service of the company and less sensitive to low prices of competitors, serving cost of existing customer is less than new customer due to regular buying routine (Kotler et al. 2012, 150-152).

A dissatisfied customer experience cause reduce repurchasing intention and spread negative word of mouth to others about the product or service. (Peluso, 2011, 51)

Customer satisfaction measurement needs customer past experience. Customer satisfaction can be measured as the sum of the satisfactions with different attributes of the service and products. Satisfaction is considered in two types the transaction and overall satisfaction (Caruana et al. 2000, 1342). Kotler et al (2012, 151) suggested periodic survey to gather information about customer satisfaction to measure purchasing intention.

Customer satisfaction is the experience with product or service which determines the level how customer is satisfied with it. Customer satisfaction is dependent on price as well as customer current and all past experiences. Satisfied customers are less price sensitive and are willing to pay for the service or product, which results in customer loyalty. Customer tolerance with increases in price of services or products lead to high profitability for a firm. (Fornell et al. 1994, 55)

Customer satisfaction with high degree results in lower costs for firm in future transactions. Firm does not need to spend much and the costs should be less on acquiring new customers when having high customer retention. Satisfied customers purchase repeatedly goods and services from the same provider. (Fornell et al. 1994, 56)

Satisfied customers result lower in complaints and increase in their loyalty, repeatedly purchasing intentions and results to firm better financial performance (Kyoon et al. 2007, 912). Kotler et al. (2012, 153) pointed customer satisfaction influences through customer complaints system. Customers with solved problem and complaints tell to friends or other people on average of five people about the good treatment of firm but dissatisfied customer tells on average to 11 people, if each of these spread this bad word-of-mouth.

Companies face problems and make mistakes, how perfectly marketing program is designed but it is vital to have best complaint resolving process for customers to complain such as feedback forms, websites and two way communication of listening to customers. (Kotler et al. 2012, 153)

Kotler et al. (2012, 153) suggested some procedures which can recover customer goodwill are: (1) to set up toll free hotline of phone, email and fax (2) quick contacts to complaining customers. The slower company responses to customer complains lead to increase in dissatisfaction results in negative word-of-mouth. (3) It is better to accept responsibility of the customer dissatisfaction and not to blame customer. (4) Resolving customer complaints according to customer satisfaction. Some customers just see that company cares of them but not looking for compensation and (5) emphatic customer service people or employees.

Understanding customer satisfaction concept key elements provide a template through which information can be collected about what is and what is not perfectly working, includes hard measures; that is average customer waiting time, number of complaints and returning the products. The soft measurers that is helpfulness, friendliness and employees politeness. It is extremely important for firm or business to know about customer desires and needs, information gathering is not only vital for business success but also important for developing customer satisfaction (Naik et al. 2010, 235).

Customer satisfaction is influenced by service quality. Customer satisfaction has direct relation with perceived service quality. Retail service quality dimensions has effect on customer satisfaction. These dimensions are: Physical aspects, reliability, personal interaction, problem solving, policy and store loyalty (Beneke et al. 2012, 28).

Physical aspects; it is retail store layout and appearance. The grocery store physical environment and facilities influence customer satisfaction and play an important role in gaining competitive edge in the service encounter. Retailer's emphasis on store neatness as well as store layout which enables product identification and customer orientation. Grocery store well designed layout make easy to find the products and will save customer search time. Physical aspects directly affect customer satisfaction with in grocery stores (Beneke et al. 2012, 29).

Reliability; Reliability has an effect on customer satisfaction in grocery stores. It is the grocery store ability to deliver service quality as promised right at the first time. The provider must be able to fulfill promises to meet customer satisfaction with accurate information provision such as clear product pricing. They must be

able to provide enough products availability when required. (Beneke et al. 2012, 29)

Personal interaction; Personal interaction has an effect on customer satisfaction. Employees play a vital role in service offering situation. The customer service performance is the most important attribute of the service encounter. Employee's knowledge and skills regarding to products, product prices and their treatment to customer are important. Employees are facilitators of the sales process (Beneke et al. 2012, 30).

Problem solving; Problem solving has an effect on customer satisfaction. It refers to the grocery store capability of handling customer complaints. The employees have interest at heart to solve customers' problems on quickly bases, listen to customer complaints and resolve immediately those complaints to prevent customer dissatisfaction (Beneke et al. 2012, 30).

Policy; it refers to grocery store decisions regarding to sales such as store operating hours, parking facilities and customer service performance. Customers are more satisfied when found good facilities from provider. Store policy regarding to product quality and service quality can cause lower customer satisfaction when customers has continuous complaints of quality. Store loyalty also play an important role in company growth which make base of competitive edge. Store loyalty is the customer attitude to company products and services. It is a behavioral construct which consists customer repeat purchases, customer retention and positive word of mouth. Customer satisfaction is related with loyalty, when customers are not satisfied with service provider are likely to divert to new provider (Beneke et al. 2012, 31).

2.4 Perceived service quality

Perceived service quality is not just the customer experience of quality dimensions "that determine whether service quality is good, moderate or not good" (Grönroos, 2007, 76). In figure 5 Grönroos (2007, 77) shows that good perceived quality is achieved when customer experienced quality fulfills expectations of customer.

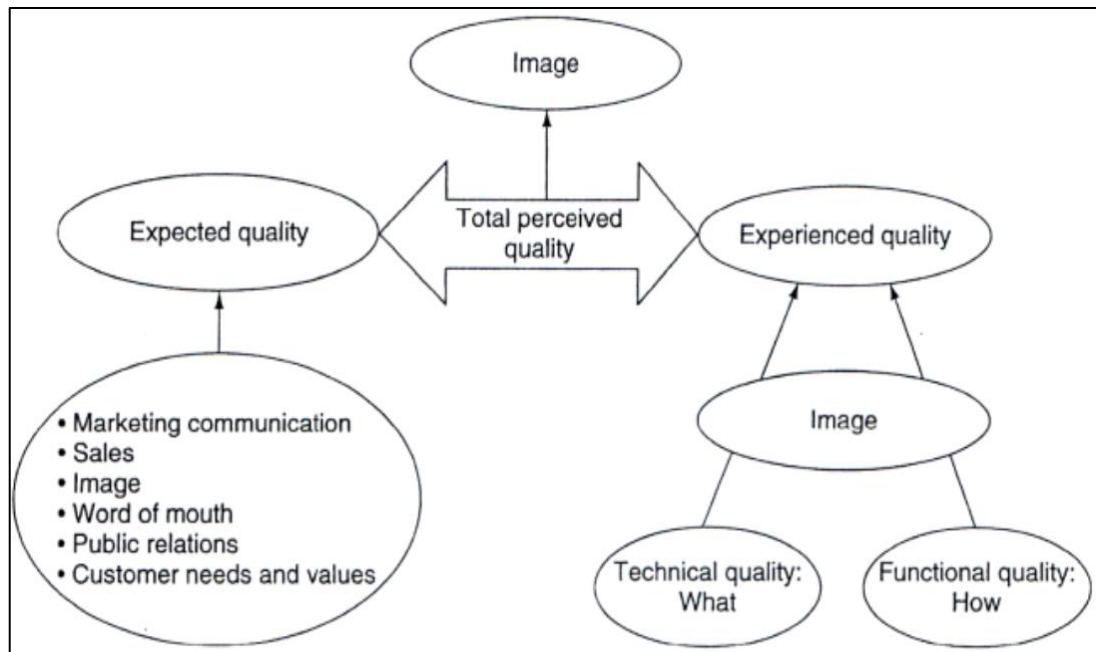


Figure 5. Total perceived quality Model (Grönroos, 2007, 77)

The total perceived quality will be in low level when customer expectations are unrealistic. As shown in above figure that customer expected quality is a function of some factors such as marketing communication, customer needs and values, word of mouth, company image, price. Marketing communication includes direct mail to customers, advertising, sales promotion, internet word of mouth and websites. Company image related to customer prior purchased experience. Perceived service may results in low quality when the firm promises a lot. “The level of total perceived quality is not determined simply by the level of functional and technical quality dimensions, but the gap between the customer expectation and perception of service quality”. Image is also important, it can affect customer expectation of quality before consumption. Grönroos (2007, 76-77)

Total quality model shows that customer expectation has direct impact on quality perception of service, overpromises of service provider raises customer expectations extremely high, and in result “customer will perceive that they get low quality” (Grönroos, 2007, 77). If service provider over promises for service improvements, it destroys service development processes. Grönroos (2007, 76) suggested that service provider has to be careful when designing marketing activities and avoid making over promises to customer about service improvements that cannot be fulfilled. In the result at least customers will not

frustrated through perceived quality. It gives an opportunity and allows Service provider to surprise customer unexpected service quality can create customer loyalty and repurchases (Grönroos, 2007, 77).

Grönroos (2007.88) pointed seven criteria of good perceived service quality. The first comes professional skills of company employees whether customers realize that the service provider has the knowledge to solve their problems with operation system and physical resources. The second criteria is attitudes and behavior it is a customer feelings about the service provider's friendliness and reediness for solving customer all possible problem, employees cares of them. Thirdly accessibility and flexibility, where customers realize that service provider, employees, operation hours, systems are flexible according to the changing needs and wishes of customers, it is easy for customer to get access to service and ready to operate. As fourth criteria Reliability and trustworthiness, meaning that the customers realize that the promised service is performed with the best interest of the customer at heart, customers can rely on service provider employees and operation system. As the fifth is service recovery, meaning that customers know that service provider is ready to control situation whenever something goes wrong. Service escape is sixth criteria, where customers feel that the physical environment of service is ready to support positively customer experience process. Reputation and credibility as the last criteria, meaning that customer realize that the service provider is trustable and stands for good performance. (Grönroos, 2007, 89-90)

2.4.1 Perceived service quality determinants

The initial study of Parasuraman (1980) and his colleagues, Bery and Zeithaml began to study determinants of service quality, based on perceived service quality how customer evaluate the quality of services. These 10 determinants were found to characterize service quality perception of customers (Grönroos. 2007, 84-85; Parasuraman et al. 1985, 47-48).

1. Reliability related to the consistency of dependability and performance, that is the service provider performs the service correctly at first time, accurate billing, keeping customer records rightly and service performance on time.

2. Responsiveness connected to employee's willingness to provide service to customers, customer receive response promptly, and giving prompt service to customers and provide service on time.
3. Competence; it concerns about the knowledge and skills of the contact personnel and operational support employees.
4. Access involves easy approach to contact, it does not take much time access to service, easy access to service on telephone, convenient operational hours and convenient location for service.
5. Courtesy involves respect, politeness, friendliness of service personnel; consideration of customer property and service provider employees neatness and clearness.
6. Communication means that service contact personnel communicate with customer with understandable language and listening to customers. Service provider gives enough information about the service, cost of the service and assuring the customer that the problem will be solved or handled.
7. Creditability related to honesty, trustworthiness and caring of customers with best interest at heart. Such as company name, behavior of personnel and the degree interactions with customer during sell.
8. Security, it means freedom from risk, danger, includes physical and financial safety and confidentiality.
9. Understanding/Knowing the customer, it involves that understanding customer needs and requirements, paying individual attention to each customer and knowing of regular customer.
10. Tangibles includes physical evidence of service, visual appearance of personnel, physical facilities, visual appearance of tools and equipment used to provide service to customers and physical representation of the service.

Research identified five determinants of service quality that apply through different service context. Customer judge perceive service quality on multiple factors related to the context not perceive quality on unidimensional way.(Zeithaml et al. 2009, 111) As a result of later research the above mentioned 10 determinants are reduced to five determinants are as follows (Grönroos. 2007, 84).

1. Tangibles. This determinant is related to visual appearance of service employees, visual appearance of equipment and material used by company and physical facilities (Grönroos, 2007, 84). It provides physical representation or images of the service to customers specifically new customer will utilize to evaluate service quality. This determinant is used by companies to represent quality to customer and enhance image (Zeithaml et al. 2009, 115).
2. Reliability. Service provider delivers to customers the promised service correctly at first time without any fault or mistake (Grönroos. 2007, 84). It reflects the firm ability to provide service accurately and dependably (Parasuraman et al. 1988, 23). Customers do business with firms who keep agreed promises about service (Zeithaml et al. 2009, 113).
3. Responsiveness. This means that employees of service provider are willing to help and ready to response promptly to customers' requests. They inform customers about service when service will be performed (Grönroos. 2007, 84). This dimension concerns about giving prompt attention to customers request, complaints, problems and questions (Zeithaml et al. 2009, 114).
4. Assurance. Meaning that employee's behavior will provide customers confidence and service provider has the knowledge and skills to respond customer's questions (Grönroos, 2007, 84). It is the ability of service provider to inspire trust and confidence of customer (Zeithaml et al. 2009, 114).
5. Empathy. Means that service provider knows customers problems and caring of customers with best interest. Employees give individual attention to each customer and service provider has convenient operating hours (Grönroos, 2007, 84). Caring of customers and providing them personalized service and feel customer that they are unique and special and their need are understood (Zeithaml et al. 2009, 115).

2.5 Gap Model

Parasuraman (1985, 41-50) and his colleagues Zeithaml and Berry have developed a "Gap model" of service quality, where they notified five gaps for

customer evaluation of service quality. This model serves to find the gap between customer expectation and perception of service quality and helps firms to improve service quality (Zeithaml et al. 2009, 43). These gaps are as follows;

- Gap 1: Customer expectation - management perception; the gap between customer expectations of service quality and expectations perceived by management wrongly or inaccurately. Service provider perhaps not always know what specific features a service included to fulfill customer needs and how to deliver high service quality to customers.
- Gap 2: Management perception - Service quality specification gap; when the firm understands and fully aware of customer expectation but the means is not exist to deliver to expectations. There are some factors which could affect this gap are management indifference, limited resources and market conditions. "Apart from resource and market constraints, another reason for the gap between expectations and the actual set of specifications established for a service is the absence of total management commitment to service quality". Grönroos (2007, 116) stated that this gap is a result of mistakes in planning, bad management of planning and top management lack of real commitment to service quality.
- Gap 3: Service quality specifications – service delivery gap; when there is guidelines for service exists in companies, where employees behave customers correctly, this does not mean that the service quality exist in high level. Zeithaml et al (2009, 38) pointed that standards must be supported by appropriate resources of people, technology and system. Service provider realizes that employee's good performance can affect positively customer service quality perception and employee's performance cannot be standardized, which affect delivery of service to customer through the way customer perceive the service quality from service provider. (Parasurman et al. 1985, 45)
- Gap 4: Service delivery – external communications gap; companies external communications can affect customer expectations about service quality. The firm must not promise in communication with customer more than it can deliver to them in reality, while customer expectations play important role in customer service quality perception. Promising more

will raise high customer initial expectations, when the promised service quality is not delivered, then customer feels lower perceived quality. The external communications can influence service quality perception of customers, when companies neglect to give information to customers of their efforts to assure service quality that are not visible to them. External communications not only affect customer expectations of service quality but also customer perceptions of the delivered service quality.

- Gap 5: Expected service – perceived service gap: when the service quality is meeting or exceeding customer expectations then it is the key for ensuring good service quality. “That judgments of high and low service quality depend on how customers perceive the actual service performance in the context of what they expected”.

2.6 SERVQUAL Model

Parasuraman et al. (1988, 13) developed a model to measure service quality is extensively applied, named SERVQUAL model. SERVQUAL approach is developed to assess customer perception of service quality and it is multiple scale for measuring customer perception of service quality. SERVQUAL is used to measure how customer perceive quality in service. SERVQUAL model is based on the customer perception gap between customer perceived service quality and customer expectation of service quality (Parasuraman et al. 1988, 12; Grönroos. 2007, 84; Zeithaml et al. 2009, 111; Ravichandran et al, 2010. 118; Hermukhe, 2012, 2).

Parasuraman et al (1985, 42-45) stated that customer perception of service quality is the gap between customer expected service quality and perceived service quality that is depend in turn on service provider under control gaps, such as service delivery to customers. Customers evaluates the outcome of the service delivery process. The service quality considers as good quality when service quality meets or exceeds customer expectations of service quality form service provider.

SERVQUAL is originally developed from gap model of service quality, it is multi-item measurement scale to assess customer perception of service quality in

retail business and in other service industries (Parasuraman et al 1988, 14). Mangin et al. (2013, 604) pointed that SERVQUAL is applicable in service industries and the format could be adjusted to fit any specific need. Many researchers considered SERVQUAL model is useful for measuring perceived service quality of customers.

Ladhari et al. (2009, 175) quoted from Parasuraman et al. (1991, 445) stated that “SERVQUAL is a generic instrument with good reliability and validity and broad applicability. The purpose of SERVQUAL is to serve as a diagnostic methodology for uncovering broad areas of a company’s service quality shortfalls and strengths, SERVQUAL dimensions and items represent core evaluation criteria that transcend specific companies and industries”.

2.6.1 Service quality assessment with SERVQUAL MODEL

SERVQUAL measurement scale can be utilized by companies to better know about customer expectations and perceptions (Palmer. 2005, 269). Parasuraman et al. (1985) identified 10 determinants of perceived service quality, such as (1) tangibles (2) reliability (3) responsiveness (4) communication (5) credibility (6) competence (7) understanding customer (8) courtesy (9) security (10) access. (Explained above in detail).

In later study parasuraman et al. (1988) these determinants or dimensions reduced to five dimensions or determinants because they found correlation and overlapping among these variables, such as

- (1) Tangibles: Visual appearance of physical facilities, personal and equipment
- (2) Reliability: The ability to fulfill promised service accurately and dependably.
- (3) Responsiveness: Willingness to provide prompt service.
- (4) Assurance: Employees skills to inspire confidence and trust
- (5) Empathy: providing personnel attention to each customer

These dimensions are mentioned in detail in above pages.

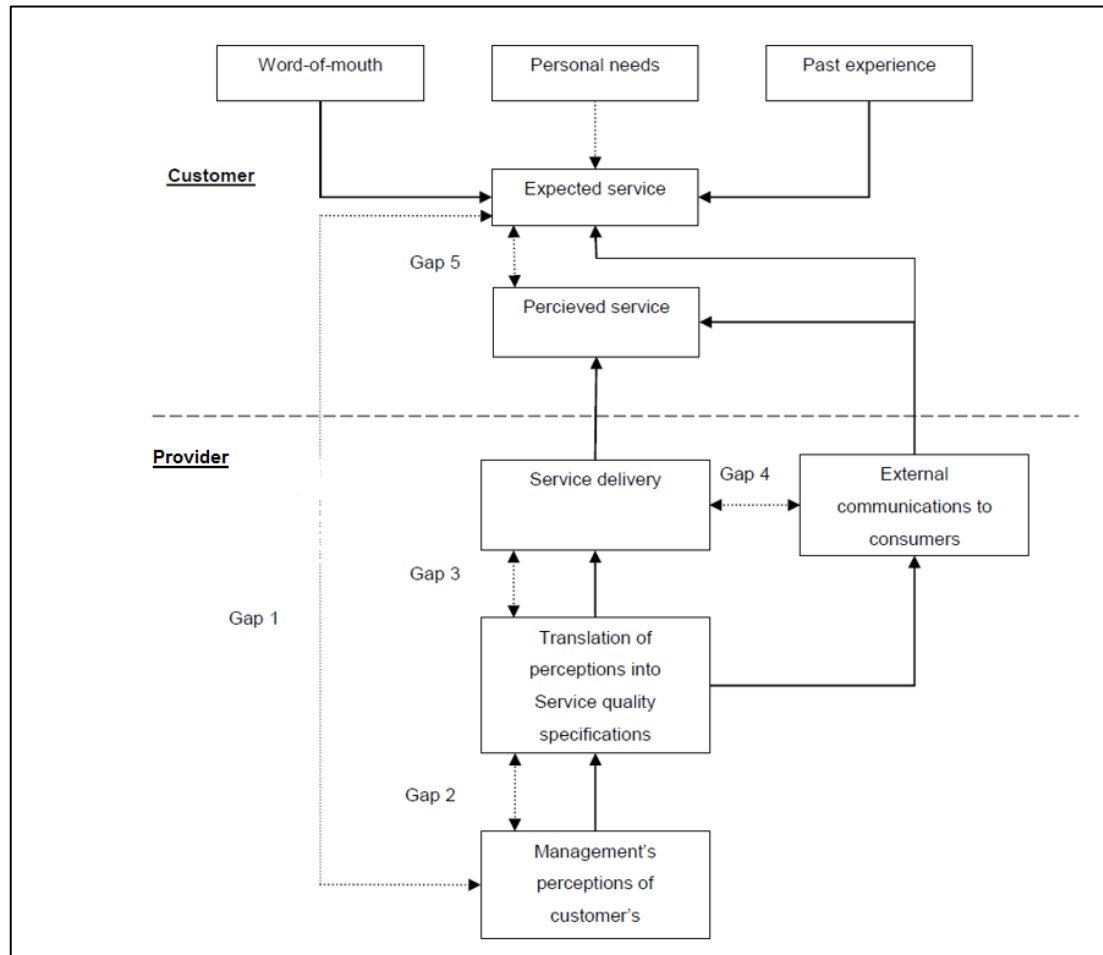


Figure 6. The SERVQUAL scale, based on gap model by Parasuraman (Grönroos, 2007, 114)

Parasuraman et al (1988, 15) developed twenty-two (22) scale attributes are used and respondents are asked to describe the five dimensions, they have used to measure customer perceptions of service quality and customer expectation of service quality. The researchers have used four (4) or five (5) numbered attributes to measure each determinant or dimension. SERVQUAL is administered twice separately for customer expectations and perceptions of customers service quality measurement. Each attribute is measured on the basis of customer responses to two statements which measure their expectation and perception of service (Zeithaml et al. 2009, 251; Ladhari, 2009, 174; Grönroos, 2007, 84; Rockpulkit, 2013; Handrinis et al. 2015, 63).

SERVQUAL model is originally based on the gap model. It has provided possibility to researchers of measuring service quality gap (Gap 5) of perception and expectations of customers in service (Caruana et al. 2000, 1340). The gap model emphasizes on closing the gap between customer expectations and

perceptions knowing, what customers expect, it will lead the firm to identification of other gaps that the firm have to close those gaps in order to satisfy customers with high quality service delivery (Mcwabe et al. 2013, 98).

2.7 Developing service quality

Service quality development process begins with gap model. Gap model serves as framework and play a vital role in organizations attempting to improve service quality. The gaps which are already mentioned in gap model carries an obvious message to managers wishing to develop service quality. It is important to close the customer gap (gap 5) needs to close first provider gaps (gaps 1-4). Customer perceived service quality falls, if there is one or two of provider gaps present. (Zeithaml, 2009, 43)

The key factors which leads to customer gap are provider gaps (1-4), that are provider gap 1; not knowing customer expectations, provider gap 2; not choosing the right service design and standards, provider gap 3; not delivering to service standards and provider gap 4; not fulfilling the promised performance. (Zeithaml, 2009, 33-43)

Zeithaml et al (2009, 34-36) suggested that to close provider gap one (gap 1), when management or employees do not receive accurate information about expectations of customers then formal and informal methods must be develop through marketing research to acquire information of customer expectations such as customer survey research, customer interviews, customer panels and customer complaint system must be utilized in order to stay close to customers. Besides these service quality gap analysis and service recovery strategies are needed. Service recovery strategies involve a clear complaint handling approaches, emphasis on empowering employees to fix the problem right on the spot, for unfulfilled promise compensate customer and providing service guarantee. Raval (2014, 84) suggested for closing the knowledge gap is to understand customer expectation through market research and implement customer feedback system.

Zeithaml (2009, 37) suggested that technology improvement and changes are extremely helpful to close gap 2. The author further argues that service are

intangibles, therefore it is difficult to explain and communicate perfectly. The difficulty seems obvious when new service is developed. It is critical for managers, contact employees and back office support staff be working on the service based on customer needs with the same concept. It is necessary in organization that all employees has the same vision for service improvement and related issues. It is important to design services without bias and incompleteness to close this gap. To bring improvement and development in existing services, tools are needed to close the gap such as service blueprinting. It is important to have commitment in setting service standards, measuring employees' performance and employees training play important role. Management is also play important role when defining the standards. Grönroos (2007, 116) suggested that management and service provider commitment to service quality is important in closing this gap 2.

Zeithaml (2009, 38) suggested that service provider gap 3 is the service performance gap. To close this provider gap company needs to have process, system, people and technology to support service standards. Employees' accountability for services must be measured and compensated on the basis of service performance. Employees understand clearly their role to play in the company, appropriate compensation, employee's empowerment and teamwork. Management seeks to develop internal practices such as employee's selection through good recruitment process, feedback, motivation with rewards on good performance, developing service culture and organizational structure. Grönroos (2007, 117) suggested that management should be in line with quality specifications. It requires better employee training for better performance. The employee's skills and attitudes cause problems if wrong employees are recruited, which may not able to adjust to systems that guide company operations. It is important to improve recruitment process. Technology, operational and administrative system must be introduce correctly to employees to support quality behavior.

Zeithaml (2009, 42) suggested that to close the communication gap (gap 4) it is necessary to adequate coordination among operations and marketing. Grönroos (2007, 118) suggested that is important to create a system that helps in planning and implementing of external marketing communications campaigns with service operations and delivery, it helps company when make promises

through external communication (advertising, sales force) are more accurate and realistic and firms greater commitment to service quality promised with customers in external communication can be achieved. Weitz et al (2002, 349) pointed out that interactive marketing must be coordinated with external communication. Employees communication with customer and messages the company sends through external communication (advertising media) must be in consistent and internal marketing that is messages from top management to employees must clearly coordinated that employees understands what is promised with customer through external communication is fulfilled accordingly. Service promises and expectation must be managed. Zeithaml (2009, 42) also believes that interactive marketing must be coordinated with external marketing utilized in product and service firms. When employees do not know how to deliver service quality to customer, making exaggerated promises or becomes fail to communicate the service aspects as a result customer receive poor service quality. When the actual service delivery is effectively coordinated with external communication, then communication gap is narrowing and in turn affects customer gap as well. A solution for closing this gap is important that company do not make promises to customer what they cannot fulfilled, instead of promises it is better to provide good quality with good price.

The customer gap (gap 5) is the difference of customer expectation and experience of service quality. Customer expectations includes what a customer believes will happen. It is important for any company needs to understand clearly its customer to deliver quality service. Customer expectation based on factors which is controlled though marketing such as advertising, pricing and sales promises and also uncontrolled factors which are word-of-mouth communications, past experience and competitive offers. To close customer gap it is important to close the above mentioned four gaps (gap 1- gap 4). (Zeithaml, 2009, 33).

3. METHODOLOGY

The research methodology will give a framework for the master's thesis. The objective of this chapter is to explain the research method in detail and methodology that has been used for this study. Data collection methods include survey, interviews and data analyzing methods include quantitative and qualitative mixed methods, reliability and validity of the sources and methods are described in detail.

3.1 Case study

Quinlan and Ghillham (2011, 76; 2010, 1) stated that case study is a research methodology which helps researcher to find suitable answers for the studied case or research and response to specific research questions. It involves in depth study of chosen case. Case study can draw on both methods qualitative and quantitative methods or can be draw on mixed of both methods. It utilizes data from various sources and the key to data collecting in case study is the data requirement which provides enough information to answer the research questions and explain well the phenomenon to be studied. The researcher utilizing case study method collects much data from different sources in order to answer to research questions. As in this thesis utilizes case study research method the data collection is done utilizing both quantitative and qualitative methods. These methods will thoroughly explain the case.

3.2 Qualitative and Quantitative methods

Qualitative method is based on subjective measurement of opinions and attitudes (Krishnaswami et al. 2010, 7). Qualitative research enables researcher using various data sources, data acquisition from multiple sources such as from managers, customers (Alam, 2005, 104). Qualitative method enables researcher to explore complexities and get complete understanding of organization what really happens to see from the prospective of involved people

(Ghillham, 2010, 11). It provides insights into the problem and give possibility to researcher to go deeper into studied situation (Wyse, 2011). This method is useful for understanding complex issues and most appropriate method to find answers for “what” questions to describe and “how” questions to explain people’s behavior and understand their experiences. Data collection is in textual form and generated through various methods such as interviews (Hennink et al. 2011, 10-17).

Qualitative method consists of a set of interpretive practices including interviews, field notes, recording and memos for analyzing data, at this stage qualitative method involves an interpretive approach means that researcher try to make sense of collected data and interpret people behaviors regarding to specific situation. This method emphasis on interpretive approach to understand individual’s behaviors involved in phenomena based on their attitudes and decisions. In addition this method emphasis on non-statistical data based on non-statistical conclusions (Kura et al. 2012, 9).

Quantitative research involves data acquisition that is basically numerical so that information can be subjected to statistical treatment in order to support the chosen phenomena (Williams, 2007, 66). This research method is utilized to quantify the problem through numerical data generating that can be transformed into statistics. It is utilized to understand opinions, attitudes and other defined variables to generalize results from large size sample population. It uses measurable data to uncover patterns and formulate facts in research (Wyse. 2011).

Quantitative method is based on statistical tools, data collection and interpretation are done through statistical methods. This method enables researcher what exactly to look for and from where to achieve it. Data collection instruments are questionnaire and data is collected usually in the form of number and statistics through survey questionnaires. In quantitative method researcher deals with large amount data using statistical techniques for analysis the data (Kura et al. 2012, 12). In quantitative method structured research instruments are used for data collection. The researcher design all aspects of the study carefully before to collect the data. Usually data is collected in the form of statistics and numbers which is usually arranged in charts, figures, and tables (USC, 2016).

As both qualitative and quantitative methods are utilized for data collection in this study. Greener et al (2014, 44) stated that in business research it is usual to utilize mixed methods, both qualitative and quantitative for data collection such as interview and survey can be used together in order to achieve broad view of the research question through survey and in depth interview provides enrich information and clear picture of the situation or phenomenon. Williams (2007, 70) pointed that mixed methods of qualitative, quantitative methods provide ability to researcher to find answers to research questions from participant's point of view and from measurable variables in designing single research study.

The both mixed methods enables the researcher to assess the difference between customer experience and expectation of service quality of SERVQUAL variables through quantitative method. Using of quantitative method will provide more precise estimates of difference between these variables as well as relationship among variables and will describe SERVQUAL model attributes, importance of these attributes to customers and to find about the reason of importance to customers. Qualitative methods is used to go deep in the chosen study with understanding management and staff opinion of customer perceptions and to have more knowledge of their thinking to compare with customer opinions of service quality.

3.3 Data acquisition method

Data collection sources are both primary data and secondary data. These sources will be utilized in this study to response research questions. The researcher will collect primary data through using survey questionnaire and interview. The reliability of primary data is considered in confidence since the researcher will provide information about the sources and references, where data originates from. Researchers creates primary data for their own purposes. The primary data is the original source of evidence that provide original information and are first evidence of a phenomenon being observed or recorded (Quinlan. 2011, 244).

The researcher will collect secondary data from scientific journal, books, websites publication of research organizations, research scholars and official publications. This type of data already exist and is gathered from secondary sources and researcher make use of it (Quinlan, 2011, 241-244).

3.3.1 Sampling and questionnaire

The non-probability sampling of population is used in this study In order to comprehensively represent the phenomenon under study. The sampling of population of the research is vital to clearly described in the research process. The researcher clearly represent the population of research and then choose a sample to study from that population, and the research is then deals with the selected sample. Researcher decisions regarding to sampling depends on the size of population whether to proceed with entire population research or select a sample of the population for the research, the time frame and research requirements. Whatever researcher made decisions, the important is to clearly define population, sample and the sampling method. (Quinlan. 2011, 208-213)

The convenience sampling technique is utilized in this study to select the customers. The researcher contacted with customers who are found available in the Hintakaari grocery store during their shopping time. "This sampling technique is simply available to the researcher by virtue of its accessibility" (Bryman et al. 2011, 190-191). It is very common sample technique in business and more prominent than samples which are based on probability sampling (Bryman et al. 2011, 190-191). Quinlan (2011, 214) pointed that in convenience method the researcher engages those customers who are available with an easy access and easiest to include in the sample of research.

The researcher together with commissioner has come to an idea and has been agreed upon to offer free coffee with biscuits to customers, who visit the grocery store in order to have more customers to response the survey questionnaire.

The survey questionnaire, management and staff interview questions are sketched both in Finnish and English. The questionnaire sketching was carefully reviewed few times and made possible corrections together with research supervisor. The researcher translated questionnaire from English language to

Finnish language in order to make it easy for customers to answer the questions in their native language, however most of them knows English perfectly. As the researcher have been living in research country for almost four and half years, comprehends Finnish language, in addition the translated questionnaire has been checked through two native Finnish citizens as well. Designing good questionnaire was important in order to achieve relevant information from customers to answer the research questions. Questionnaire and scales are precise structured instrument of data collection which are commonly used in survey research. Survey questionnaire are primarily used for generating quantitative data and qualitative data can be generated through open ended questions (Quinlan, 2011, 322).

The Likert scale is used in order to make it easy for respondents to answer in a short time, respondents are asked to circle the most appropriate number (1, 2, 3, 4, and 5) that is close to their extent of expectations, experiences and importance about service quality in grocery store. The Likert scale is used in survey questionnaire as well as in open ended questions. The scales utilized in this study from 1 to 5 where 1 denoting strongly disagree and 5 denoting strongly agree. Scales for expectation and experience 1 to 5 (1= totally disagree 2= Disagree 3= Moderate 4= agree 5= totally agree) and scale for importance of each SERVQUAL dimension is used from 1-5 (1= Not at all important 2= less important 3= moderate 4= important 5= Very important). The first part also included open ended questions to gather data from customers, in order to know their opinion about company current image, products quality, price, importance of products price, variety of products, other expectations and their suggestions regarding service improvement in Hintakaari grocery store.

The second part of the survey questionnaire is about the general information of customers where the respondents provide information about their gender, age and their visiting habit. A survey research method is appropriate for engaging a large population where it is not possible to do in depth research of every member. Questionnaire and scales are precise instruments for data collection. These instruments are considered to draw short responses to briefly stated and specific questions. Likert scales is widely used in measuring the trend of attitudes. This scale can be three points or a five points scale representing options strongly agree and strongly disagree. The respondents usually read the

statements of each statement in questionnaire and then select the best extent of their attitude (Quinlan, 2011, 326-328).

The survey questionnaire is sketched in order to know respondents experiences (perceptions), expectations of service quality of being customers of Hintakaari grocery store. The survey questionnaire also included open ended questions, in order to attain data of different aspects about grocery store.

The customer survey questionnaire are designed on the bases of SERVQUAL questionnaire which includes 22 various statements. These 22 different statements are divided into five various dimensions such as tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et al. 1991, 343).

The SERVEQUAL questionnaire statements are connected to each dimensions in different numbers from 1 to 4 or 1 to 5 questions in each determinant. In the survey questionnaire part one question (1.1) includes 22 questions. Statements from 1 to 4 are connected to tangibles, from 5 to 9 measure reliability, 10 to 13 measure responsiveness, 14 to 17 measure assurance and from 18 to 22 statements are connected to empathy dimension.

As the researcher mentioned earlier of using a convenience technique of sampling for survey questionnaire. At the first day the researcher located himself in front of main entrance in grocery store, arranged big table and chairs for visiting customers to fill survey questionnaire. It was really challenging to attract customer attentions without coffee, because most of them were in hurry but some of them filled the survey questionnaire. The customers who did not had time to fill the survey questionnaire, handed questionnaire to them and requested to return on specific date to grocery store employee at checkouts.

The researcher had realized from last day experience, that customer did not had much time to answer the survey questionnaire. It was needed to provide free coffee with biscuits, which was already agreed with commissioner, in order to attract customers to response survey questionnaire making their time valuable for them in filling questionnaire. The respondent's rate has increased and completed more questionnaire. The researcher had 94 questionnaire to administer and it took six (6) days to administer and the researcher received back 53 questionnaire, which were completely answered. The reason for less

questionnaire was that some of the customers returned it, but some of them did not return the questionnaire back to store at all.

3.3.2 Interview

Interviews with management and staff has been utilized in order to collect the primary data for research. The main reason for selecting face to face interviews was the researcher knowledge of key respondents in relation to the studied phenomenon and engaged the key respondents which are management and staff in interview process. (Quinlan, 2011, 289)

In face to face interview the researcher has the opportunity to develop a comfortable communicative relationship with interviewee, it provided confidential and open communication in the interview process. In one to one interview the interviewee had opportunity to express his individual opinion or experience of the study under research. (Quinlan, 2011, 290)

The researcher has required information of management and staff perspective. In order to collect enough information from their perspectives, open ended questions are used to explore respondent's feelings, opinions and understandings. Open questions required respondent's thoughts and reflection on the phenomenon which generated long responses. The interview questions are semi-structured and the interview is conducted in flexible manner. The focus of the interview in qualitative research was on exploring the interviewee's viewpoints and the emphasis was on facilitating the interviewee to express their thinking on phenomenon being explored. (Quinlan, 2011, 293)

The interview questions for management and staff are sketched together with research supervisor and agreed upon with commissioner. The researcher contacted the commissioner regarding to arrange suitable schedule for face to face interview with management and employees of grocery store. The interview dates were agreed with management and staff.

The interviews with management and staff members have been agreed upon their availability in the store and researcher has considered more convenient schedule for interview to be performed with them. The interviews dates for

employees and management varied on weekly bases. The interviews for data collections have been involved five (n=5) employees of grocery store and one management member, totally six (n=6) people have been interviewed. The interview time for each interviewee lasted on average 30 minutes and took four days from researcher to complete it.

3.4 Reliability and validity

The text books, online books, journals and articles from reliable sources of authors and publishers are used in this study. The reliability of these books also assured that researcher have provided perfectly references with accessed time frame in this study. These books are from well know academic professors of service marketing such as Professors Christian Grönroos and Valarie Zeithaml. Anderson (2004, 111) states that reliability is the key for any research, the level to which the data is attained are both appropriate and valuable and validity is a judgement about whether the data actually provides evidence on what is needed to be about. Reliability relates to the extent to which a data gathering method will provide the similar consequences in various situations. The research methodology is possibly worthless when it fails to describe or measure what is supposed to measure. (Crowther et al. 2008, 80)

The term validity in research is a question of how valid the research is, how truthful, how logical, how reasonable and how useful. The validity in qualitative and quantitative research can be established through the depth and complexity of research project where researcher engagement with field and with the participants in the research. The clear description of the research methodology and the utilized method and researcher knowledge of the phenomenon provides validity to research. (Quinlan, 2011, 306-309)

3.5 Data analysis

The researcher has already explained above the data gathering methods are both quantitative and qualitative have selected for the research project. The

collected data through mixed research method require to analyze using both quantitative and qualitative data analysis methods. The using of SPSS statistical software package will help researcher in analysis numerical data in this study. In analyzing quantitative data that is numerical data using statistical methods, SPSS software package is useful. This software is really efficient in survey data analyzation. Utilizing this software package needs first to code the responses in questionnaire with number and these numeric codes then inputted in SPSS to analyze the data (Quinlan, 2011, 352-360).

Descriptive statistics is utilized in this study in order to describe the collected data. Descriptive statistics will explain each variable in the collected data such as mean score of customer expectation and perception, standard deviation and demographic frequencies. The mean is the average of adding up all values and dividing the sum by the number of values and standard deviation measures the spread of data about mean, used to compare sets of data (Quinlan. 2011, 400).

Qualitative data is gathered through interviews with management and staff. Qualitative data analysis is required in order to have clear understanding and interpretation of management and staff opinions. Qualitative data analysis is based on interpretative philosophy. It is the process through which qualitative data are analyzed (Quinlan, 2011. 420; Nigatu, 2012, 24).

4. RESULTS

The objective of this chapter is to explain the results of the chosen case study. The researcher will analyze customer experience (perceptions) and their expectations of service quality and finding of gap five between provider and customer of SERVQUAL model.

4.1 Respondents demographic information

Respondent's demographic information has been collected through survey questionnaire, included questions in part two of customer survey questionnaire.

Computer based SPSS software is used to analyze these information's. In the beginning raw data is inputted in this programme, in order to perform descriptive statistical analyses. The output result of the SPSS analyses provided descriptive statistical information's, which are included respondent's genders, ages and their visiting habit percentage with bar charts are presented as follows:

4.1.1 Gender information of respondents

Respondent's rate in this research has been varied between males and females. The research analysis has included over all 53 respondents from customer survey in grocery store. Males respondents rate (frequency) were 22 respondents, which are in percentage 41,5%, counted from total 53 respondents (100%) and females respondents rate (frequency) were 31 that is equal in percentage 58,5%. Females respondents rate in percentage to some extent are higher than males respondents which are shown in below table 1 and Figure 7 of bar chart with detail information.

Table 1. Gender and age of respondents (N=53)

Gender and age	Frequency/N	Percent (%)
Male	22	41,5
Female	31	58,5
Total	53	100,0
Under 20	2	3,8
20-30	3	5,7
31-40	12	22,6
41-50	12	22,6
Over 50	24	45,3
Total N	53	100,0

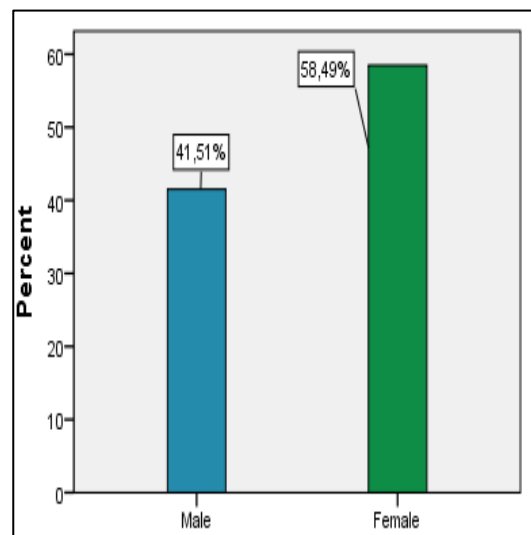


Figure 7. Bar chart representing gender of respondents (N=53)

4.1.2 Respondents ages information

Table 1 and Figure 8 show that the higher respondents age group is over 50 years old customers, which represents a percentage of 45,3%. Ages groups of 31-40 years old and 41-50 years old respondents are the second large groups of people in this research, which shows a same percentage of 22,6% for both these groups of respondents. The third age group of customers are between 20 years and 30 years old, that represents a percentage of 5,7% percent of respondents. The customers under 20 years are the smallest age group of respondents, which represents the percentage of 3,8% percent in this research.

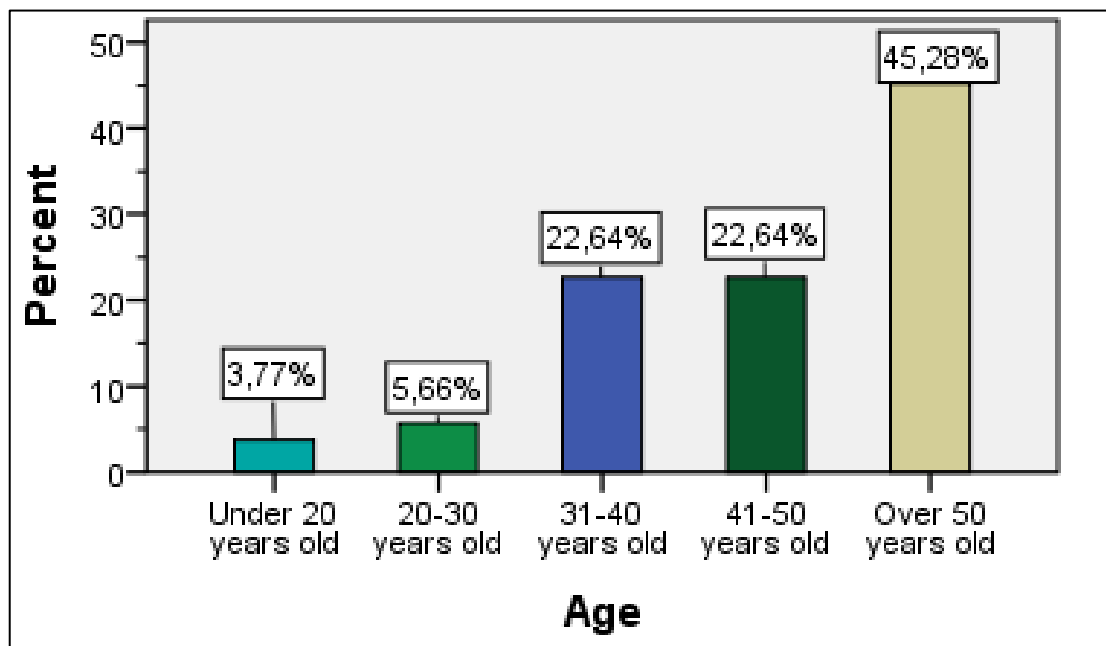


Figure 8. Bar chart representing ages of respondents (N=53)

4.1.3 Respondents visiting habit of grocery store

Respondent's visiting habit of grocery store varies among interval of times, which is based on daily, weekly and monthly shopping behavior of customers. On weekly bases customers, who visit grocery store three (3) or more times per week, shows a percentage of 18,9%. Some of the respondents usually visit store one (1) or two times on weekly bases, represented a percentage of 15,1%. The higher rate of respondents who visit grocery store two times per month are 21 people, which shows a percentage of 39,6%. It is followed by the respondents, who visit the store one time for month generates a percentage of

17% of all respondents. Some of the customers come for shopping in grocery store more seldom than one time per month, represents a percentage of 9,4% of all customers.

When it comes to compare answers of different customers shows that the customers, who visit the shop 3 or more time per week are over 50 years old, most of them are female customers. These customers come to buy almost on daily bases from grocery store.

The below table 2 and Figure 9 show additional information about frequency (rate) and percentage of respondents through bar chart.

Table 2. Cusotmers visiting habit of grocery store (N=53)

Grocery store cusotmers visiting habit	N / Frequency	Percent (%)
3 or more time/week	10	18,9 %
1-2 times/week	8	15,1 %
2 times/month	21	39,6 %
1 time/month	9	17 %
more seldom than 1 time/month	5	9,4 %
Total N	53	100 %

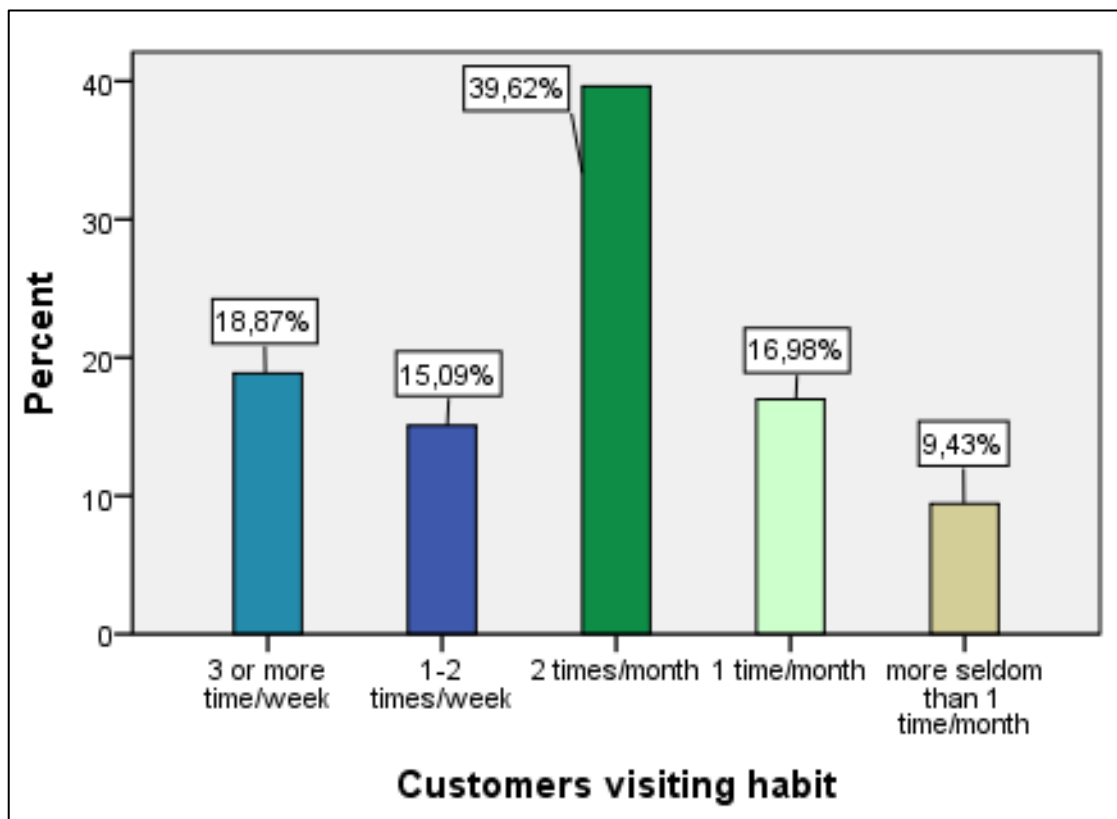


Figure 9. Bar chart showing customers shopping behavior (N=53)

4.2 Service quality assessment with SERVQUAL instrument

The SERVQUAL instrument of Parasuraman et al. (1988) has been used in this study in order to measure the customer experiences (perceptions) of service quality in grocery store. Customer's experience (perceptions) and expectations of service quality related information has been gathered through conducting customer survey (see appendix 3 for raw data). SERVQUAL model various dimensions, which is included different statements made it possible for the researcher to find the customer perception gap between customers experienced (perceived) and customer expected service quality.

Customer experiences (perceptions) and expectations were assessed utilizing the five point Likert scale. Each statement of SERVQUAL instrument mean score is calculated, in order to find more concrete difference among customer experience and expectations of service quality in grocery store. The gap score of each statement is calculated through the difference among experience (perceptions) and expectations ($P - E$). Table 3 and figure 10 show additional information about mean score and average gap score of each dimension in details.

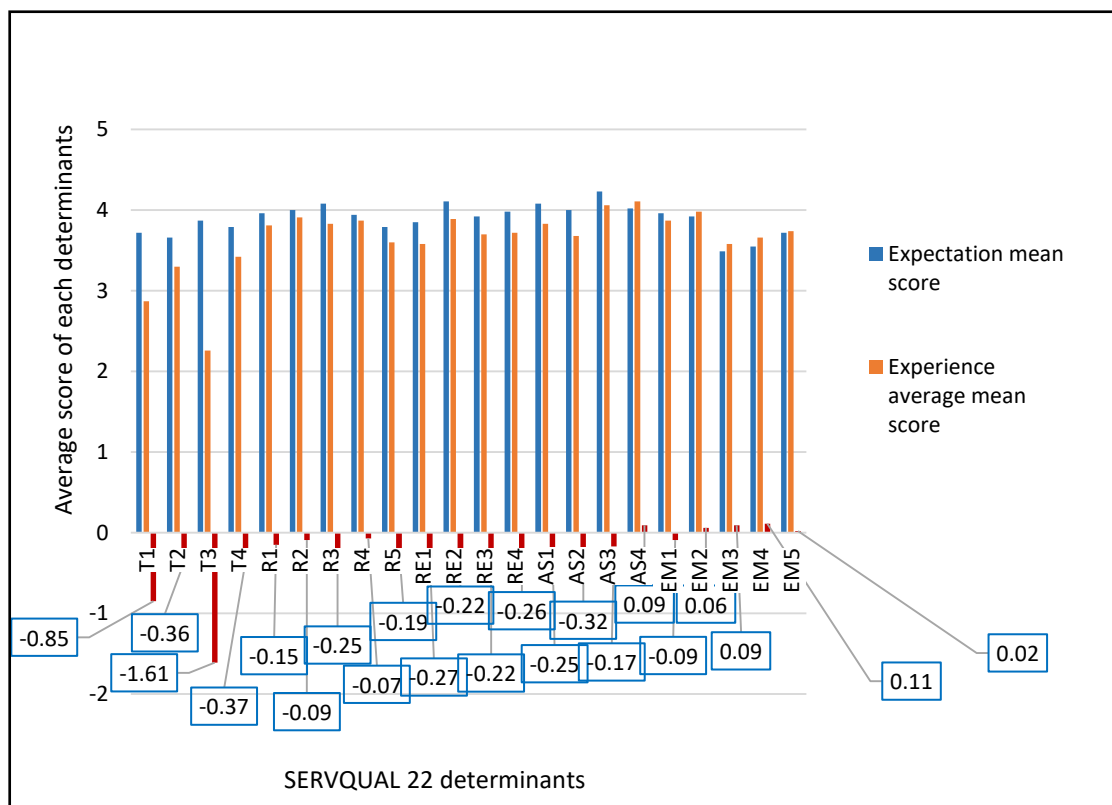


Figure 10. Difference between all respondents' expectations and experiences mean score of SERVQUAL 22 determinants

As we can see in table 3 (see appendix 3), there is a considerable difference between average gap score of tangibles (T1-T4) statements, which are indicated with negative signs (T1= - 0,85, T2= -0,36, T3= -1,61, T4= - 0,37), where T1 statement with negative sign means that customers think that grocery store are lack of modern equipment and T2 with negative sign means that visual appearance of the store and products are not good enough to fulfill customers expectations. T3 statement has the higher negative sign of -1,61, which represents higher gap between customer experience and expectations. Customers are more concerned about the shelves order, and products arrangements in the shelves, direction signs inside the grocery store and T4 with negative sign means that it is difficult for customer to find products easy in the store. These negative signs of average gap scores means that customer experienced service quality is lower than their expected service quality regarding to this specific dimension. Parasuraman et al. (1988, 30) stated that the less negative score the higher the level of experienced service quality.

In table 3 (see appendix 3) average gap score of reliability dimension statements (R1-R5) also represented with negative gap score. These negative gap scores of each reliability statement are indicated with (R1= -0,15, R2= - 0,09, R3= -0.25, R4= -0,07, R5= -0,19), where R3 statement has the higher negative gap score (-0,25), means that customer experienced from grocery store performance of the service right at the first time is lower than their expectations. In reliability dimension R5 statement has the lowest negative gap score. It shows that grocery store performance in keeping customers records without error consists somehow gap among customers experience and expectations, where customers are not too curious about their records, therefore there is lower gap exist.

When the average gap score of responsiveness dimension each statement (RE1- RE4) is calculated, obtained an output result of each statement with negative gap score (RE1= -0,27, RE2= -0,22, RE3= -0,22, RE4= -0,26). The RE1 statement of reliability dimension has the higher negative gap score, represents that there is a considerable difference between customer experience (perceptions) and expectations. In other words, it mean that employees at grocery store has not made information easily obtainable by the customers. The gap score for statements RE2 and RE3 seems the same values, means that

customers experienced service quality in both these statements are lower than their expectations, where employees are always not willing to help customers and employees do not provide prompt services the them.

The assurance dimension, included statements of (AS1- AS4) in table 3 (see appendix 3) shows each statement with average gap score. Where the first three statements (AS1= -0,25, AS2= -0,32, AS3= -0,17) has negative score and last statement has positive score. The statement AS2 represents the higher negative gap score (-0,32) among customer perceptions and expectations. Where customers experienced that grocery store advertisement are not matching fully with products. There is big difference among what grocery store advertise about products and products availability at store.

The average gap score is calculated for empathy dimension each statement (EM1-EM5). Table 3 (see appendix 3) shows the average gap score of customer perceptions and expectations. The statement EM1 has negative gap score (-0,09), represents that some gap existence in employees to answer customers questions professionally. The other statements average gap scores are with positive signs (EM2= 0,06, EM3= 0,09, EM4= 0,11, EM5= 0,02), means customers experienced of grocery store operating hours is higher than their expectations. Customers believes that grocery store operating hours are convenient for them, employees understands customers' needs and give them individual attention with best interest in heart for customers.

4.3 SERVQUAL five dimensions average score of all respondents

The service quality in grocery store has been measured through utilizing SERVQUAL model with counting scores of each dimension for all N=53 respondents, has taken into account customer experience (perceptions) and expectations of service quality from grocery store. Each SERVQUAL dimension is illustrated in figure 11 with mean score of customer experience, mean score of expectations and average gap score of SERVQUAL five dimensions (tangibles, reliability, responsiveness, assurance and empathy).

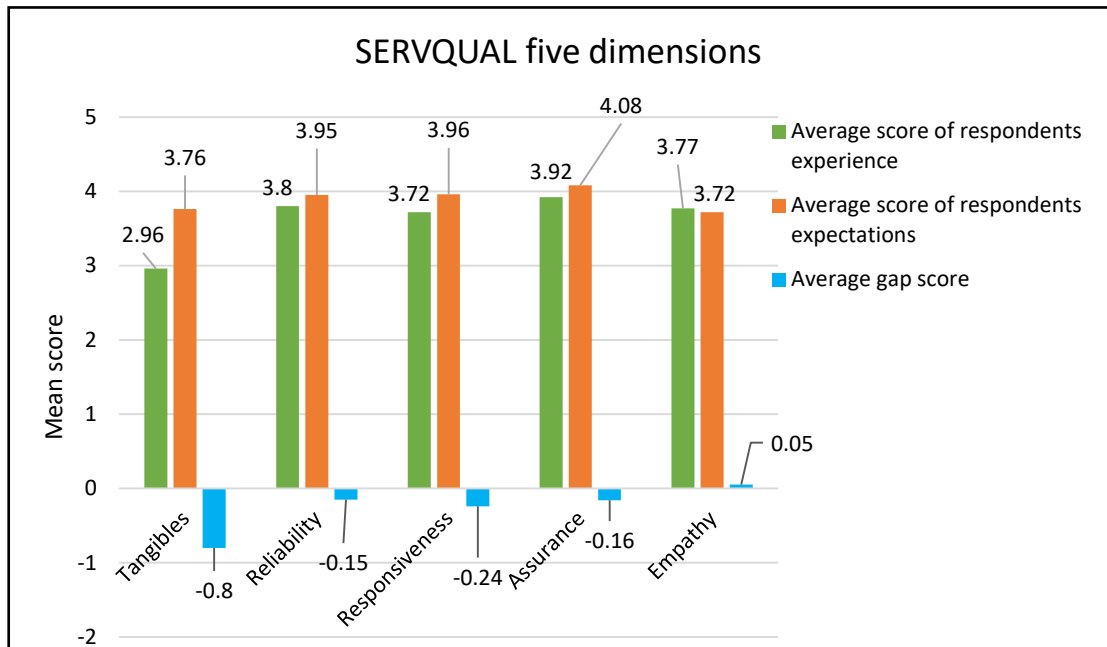


Figure 11. SERVQUAL five dimensions average gap score of experience (perceptions) and expectations of all respondents (N=53)

Table 3. SERVQUAL five dimensions average gap score of experience (perceptions) and expectations of all respondents (N=53)

SERVQUAL five dimensions	Average score of respondents experience		Average score of respondents expectations		Average gap score	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Tangibles	2,96	0,82	3,76	0,76	-0,8	0,06
Reliability	3,8	0,82	3,95	0,81	-0,15	-0,01
Responsiveness	3,72	0,80	3,96	0,84	-0,24	0,05
Assurance	3,92	0,84	4,08	0,90	-0,16	0,07
Empathy	3,76	0,94	3,72	0,83	0,04	-0,11
Total	3,63	0,84	3,89	0,83	-0,26	-0,02

The above figure 11 and table 4 show average score of customer experience (perceptions), average score of customer expectations and average gap score of five dimensions. All three research questions were created for the purpose to know customer experience (perceptions), expectations and average gap of service quality in grocery store.

The service quality assessment with SERVQUAL model has provided answer to all three research questions. The result in table (4) shows that the average score of total experiences (perceptions) is 3,63 with a standard deviation of 0,84

and total average score of respondents expectations is (3,89) with a standard deviation of 0,83. The average gap score between customer experience and expectations is $-0,26$. This negative average gap score shows, that customer experienced service quality is lower and their expectations are higher, in other words it means that customer perceived service quality is lower than expected service quality. The assurance dimension has the highest average score of experienced service quality, but there is still exist gap of $-0,16$. Customers has experienced reliability dimension with the second high average score of 3,8 and followed by empathy has an average experienced score of 3,76. The average score of responsiveness dimension is 3,72 and tangibles dimension has the lowest experienced average score.

Customers average expectation's scores are the highest for assurance dimension in the above (table 4). Customers' expectations are higher than their experience (perceptions) of service quality. The grocery store customers have the higher expectations of employees ability to inspire trust and confidence, employees knowledge and skills to respond customers questions. The average score of customer expectations of responsiveness dimension is 3,96. Customer expected more from employees to help and ready to response promptly to their requests and employees inform customers about service, when service will be performed. Customer expectations of obtaining prompt attention to their complaints, requests and problems (Grönroos, 2007, 84; Zeithaml et al. 2009, 114). The average score of customer expectations of reliability dimension is 3,95, which is almost same to customer expectations of responsiveness dimension. The grocery store customers has expectations to deliver the promised service correctly at first time without any fault and provide service to them accurately and dependably (Grönroos, 2007, 84; Parasuraman et al. 1988, 23). It is followed by tangibles dimension with expectations average score of 3,76. Where customers has expectations about grocery store visual appealing of service employees, visual appearance of equipment. The lowest average score 3,72 of expectations is the empathy dimension. That means that employees give individual attentions to each customer.

4.4 SERVQUAL dimensions gap score

4.4.1 Tangibles

The empirical result of customer experience (perceptions) and expectations difference has been achieved utilizing SERVQUAL measurement. Customers overall average expectations score is 3,76 and their average perceptions score is 2,96. The average gap score is -0,80 for tangibles dimension, as shown in below figure 12 and table 4 with detail information.

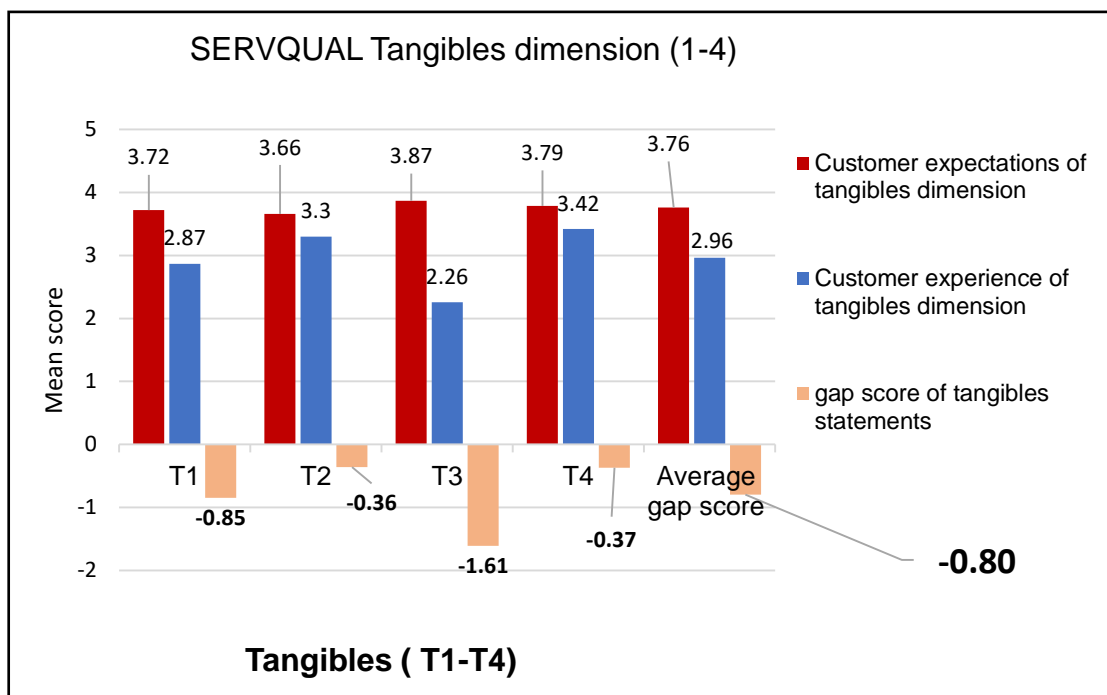


Figure 12. SERVQUAL tangibles dimension gap score (N=53)

The output result of this negative average gap score (-0,80) of all statements (T1-T4) of tangibles dimension, shows that customers are not satisfied with provided service quality in this dimension. Customers have high expectations than their perceptions. The grocery store customers think that their expectations have not fulfilled about visual appealing of equipment and products appearance in the shelves. The physical surrounding where the service is delivered to customer, the way it is delivered is directly connected to tangibles dimension, where customers judge experienced service quality of technical result delivered

to them and instrumental quality that is physical aspect of service (Zeithaml et al. 2009, 111; palmer. 2005, 261). Grönroos (2007, 73) pointed out two dimensions quality of a service, technical dimension (outcome dimension) and functional dimension (process related dimension). Tangibles can be related with functional quality dimension that is how the service provider functions during service delivery process. As we can see in figure 12, that customers expectations are exceeding their experience service quality with a negative gap score of -1,61 which indicates high difference in service quality what customer perceived.

4.4.2 Reliability

The reliability dimension related to the consistency and performance. Customers experience (perceptions) and expectations average gap score of all statements in this dimension are calculated. The average gap score for reliability is -0,15 as we can see in figure 13 and table 4.

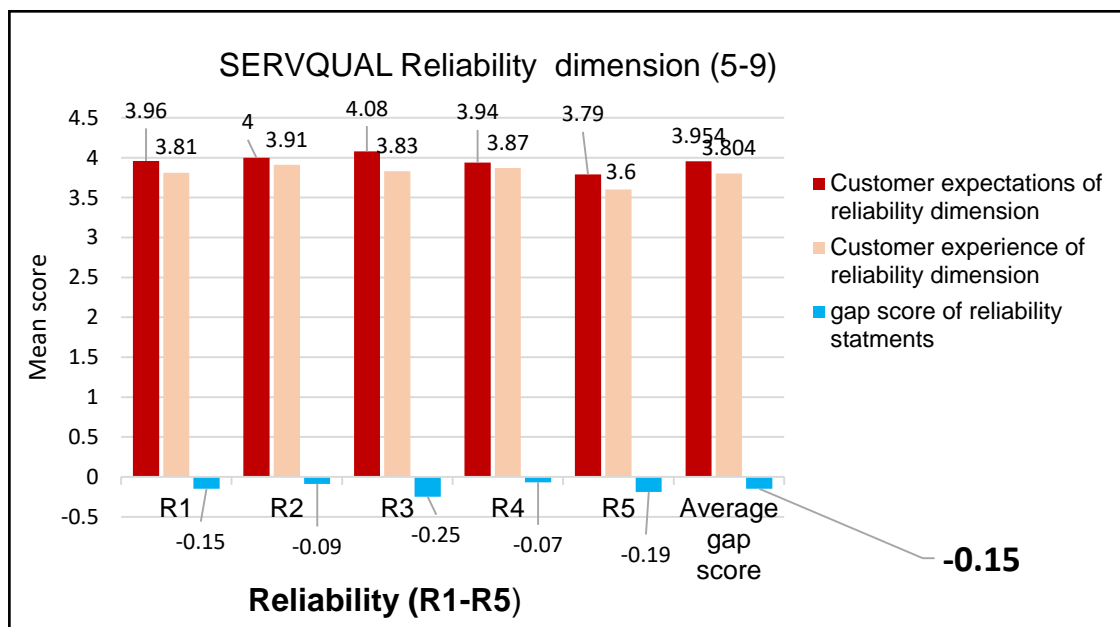


Figure 13. SERVQUAL Reliability dimension gap score (N=53)

The negative average gap score of reliability (R1-R5) dimension in the above figure shows that customer's expectations are higher than their experienced service quality. In other words, it means that customers expected from grocery store to provide them service correctly at first time without error and employees

has to perform service on time as promised. Customers also has higher expectations to keep their records correctly (Parasuraman et al. 1988, 23; Grönroos, 2007, 84; Zeithaml et al. 2009, 113). This dimension can be related to technical quality. Grönroos (2007,85) believes that technical quality will not fill the gap for total quality customer receives he has perceived. The mean score difference for each statement in reliability dimension is calculated. All five statements (R1-R5) in above diagram 7 and table 4 represent negative scores (-0,15, -0,09, -0,07, -0,19). The output result of all statements in reliability dimension show that customers are not completely satisfied with service quality in grocery store.

4.4.3 Responsiveness

The responsiveness dimension is related to employees' willingness to help customers, providing prompt service, customers receive response promptly from employees and giving prompt attention to their request and questions (Zeithaml et al. 2009, 114). Customer expectations and their experience (perceptions) of service quality gap score of all statements (RE1-RE2) are calculated in this dimension, the difference of each statement is -0,27, -0,22, -0,22, -0,26. Customer experienced service quality average score is 3,72 and expected service quality average score is 3,96. The overall average gap score is -0,24 as shown in below figure 14 and table 4.

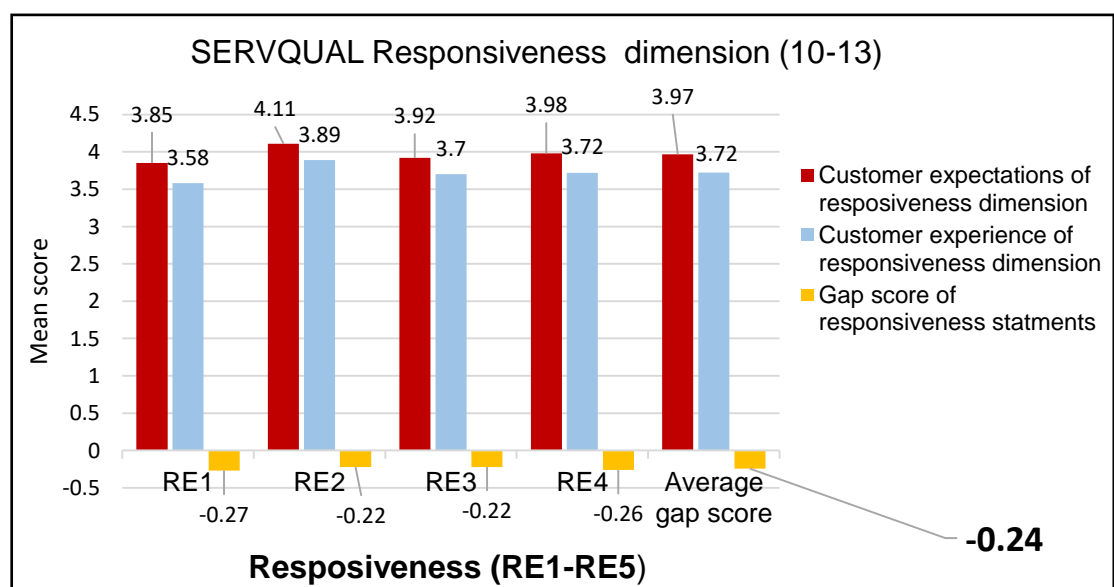


Figure 14. SERVQUAL responsiveness dimension gap score (N=53)

The overall negative average score (-0,24) of responsiveness dimension shows that customers experienced service quality is lower than their expected service quality in grocery store. Customers are not satisfied with service quality in this dimension. Responsiveness dimension can be related to technical quality of service quality that how the service quality is delivered to customers (Grönroos 2007, 75; Palmer, 2005, 261). Customers has higher expectations of obtaining easily information from employees, needed to provide prompt service and has to increased speed of service, because customer do not want to wait for long time at checkouts.

4.4.4 Assurance

Customers' experienced (perceptions) and expectations of service quality average scores are calculated for assurance dimension. The experienced average score of all respondents for assurance dimension is 3,92 and their expectations average score is 4,08. The average gap score is calculated to - 0,16. (see table 4 and figure 15)

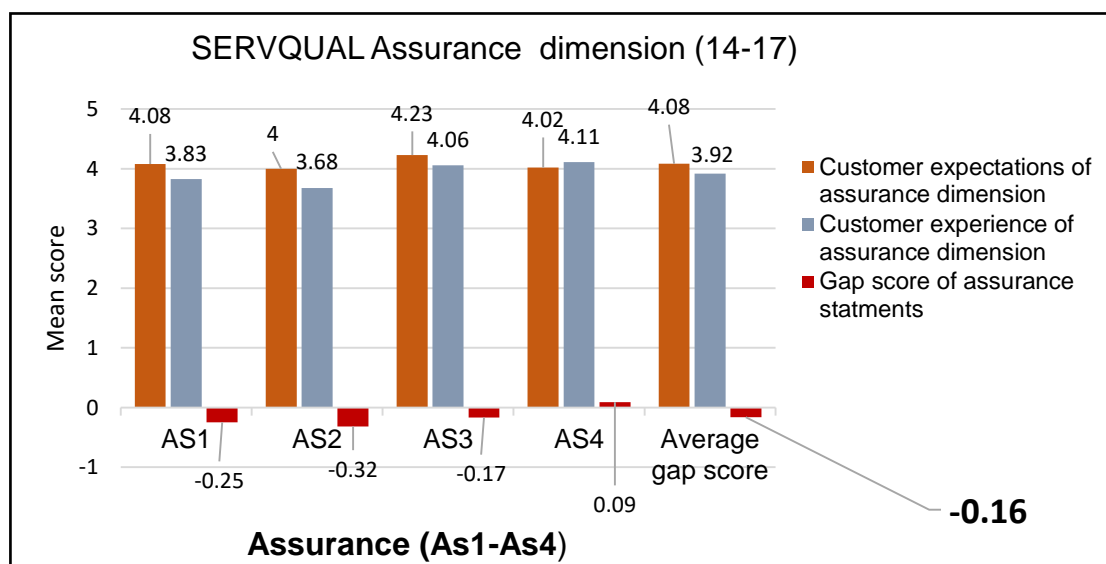


Figure 15. SERVQUAL assurance dimension gap score (N=53)

The above figure 15 shows that there is a considerable difference between customer experiences (perceptions) and expectations of service quality looking to assurance dimension. The overall negative average gap score of -0,16 shows that customers expectations are higher about knowledge and skills of

employees to inspire trust, confidence to feel safe in transactions with employees, easy access to service and communication related to grocery store offers (Zeithaml et al. 2009, 114; Grönroos, 2007, 84). The output result represents unsatisfied customers with assurance dimension.

4.4.5 Empathy

The average scores of customers' experience (perceptions) and expectations of empathy dimensions are calculated. The average score of experienced service quality of all respondents is 3,76 and their expectations average score is 0,83. The average gap score for empathy dimension is 0,04 (see table 4 and figure 16)

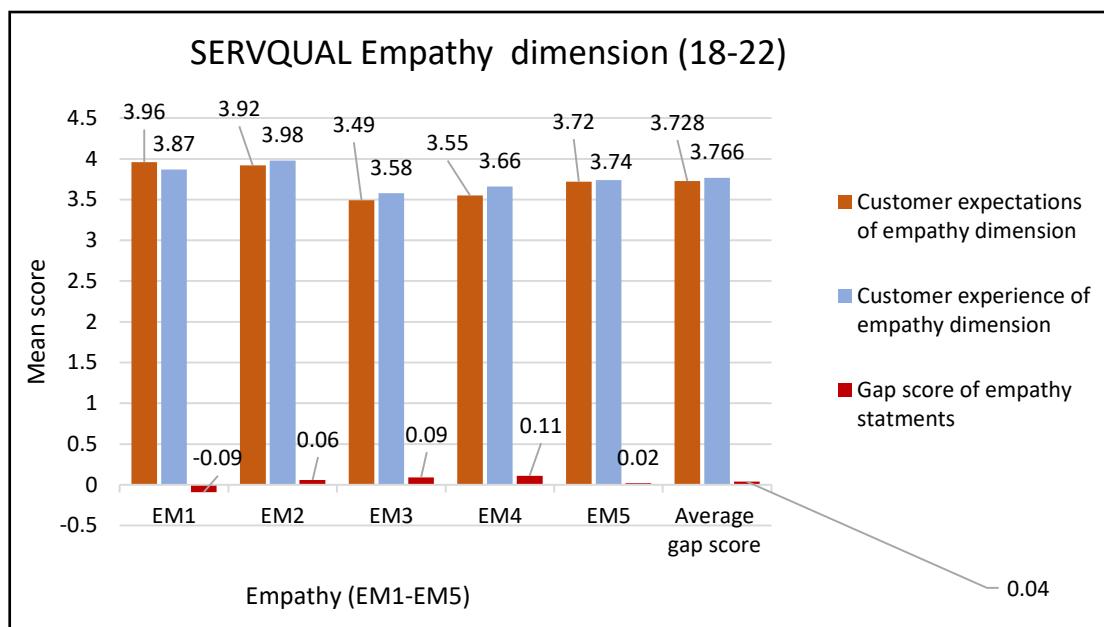


Figure 16. SERVQUAL Empathy dimension gap score (N=53)

The positive average gap score 0,04 in the above figure 16 shows, that customers experienced service quality is higher than their expectations. It means that grocery store employees knew customers problems and cared them with best interest and has given individual attention to their requests. Customers felt that employees understood their needs and grocery store has convenient operating hours (Zeithaml et al. 2009, 115; Grönroos, 2007, 84). As we can see the last four statements (EM2-EM5) gap scores result is positive (0,06, 0,09, 0,11, 0,02) and existed a small gap in EM1 (-0,09) where customers are

concerned to obtain answers for their questions professionally, but on average level customers are satisfied with empathy dimension service quality.

4.5 Difference between male and female perceptions of service quality

The difference between male and female experienced service quality based on the random selection from all respondents (N=22) males and females, because male respondents are not in same amount with female respondents, female respondents were more than male respondents in survey, therefore reducing female number from calculation provides possibility to researcher to compare perceptions among the same amount of respondents. The compared mean scores are shown in the below figure.

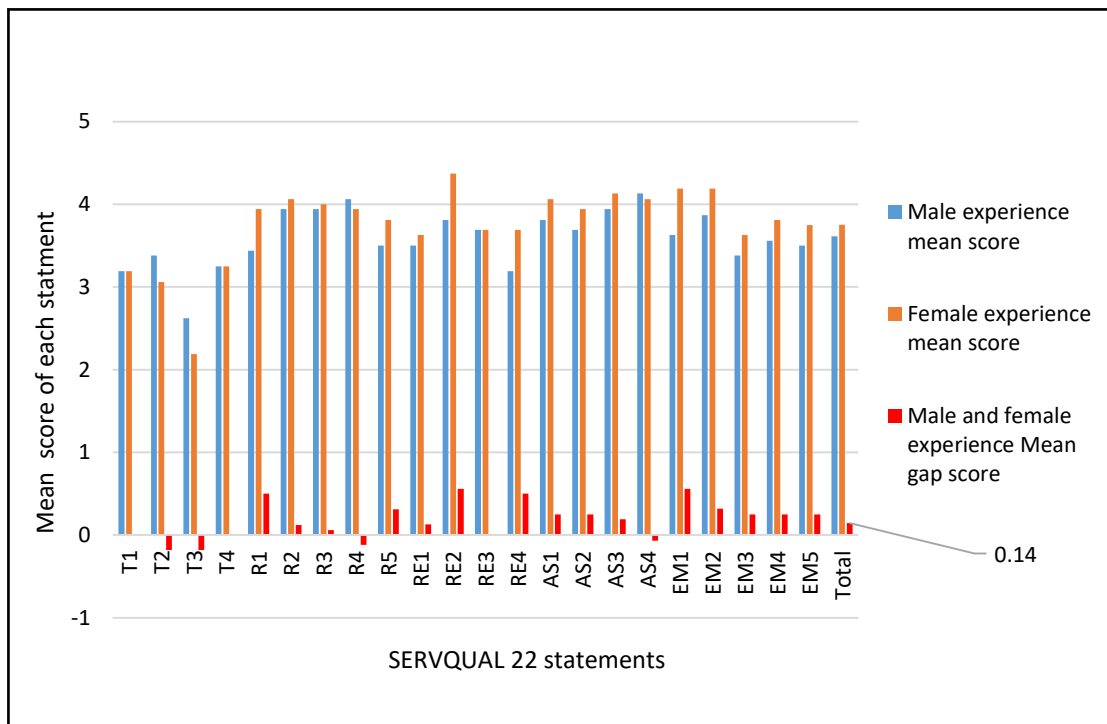


Figure 17. Difference between male and female perceptions (N=22)

This figure shows the difference among males and females respondents' experiences (perceptions) of service quality in grocery store. There is a considerable difference between male and female experiences in RE2, where employees at grocery store always show willingness to help customers. The experienced (perceived) service quality of female is higher than males. The lowest female perceived service quality (T3) is about the physical facilities in

grocery store, which is less than males experienced service quality in the same statement.

The males have higher experienced service quality about feeling of safe with grocery store employees during transactions and they have lowest experienced service quality or perceptions about the physical equipment facilities such as shelves order, walking space between shelves, products order in shelves, direction signs and lights in grocery store.

The total average score of perceived service quality for male (3,75) is higher than female (3,61) average score of perceptions. The difference average gap score is calculated 0,14 of experienced service quality among male and females. (see table 5)

Table 4. Male and female experiences (perceptions) difference (N=22)

SERVQUAL statement	Male experience mean score	Female experience mean score	Male and Female experience average gap score
T1	3,19	3,19	0
T2	3,38	3,06	-0,32
T3	2,62	2,19	-0,43
T4	3,25	3,25	0
R1	3,44	3,94	0,5
R2	3,94	4,06	0,12
R3	3,94	4	0,06
R4	4,06	3,94	-0,12
R5	3,5	3,81	0,31
RE1	3,5	3,63	0,13
RE2	3,81	4,37	0,56
RE3	3,69	3,69	0
RE4	3,19	3,69	0,5
AS1	3,81	4,06	0,25
AS2	3,69	3,94	0,25
AS3	3,94	4,13	0,19
AS4	4,13	4,06	-0,07
EM1	3,63	4,19	0,56
EM2	3,87	4,19	0,32
EM3	3,38	3,63	0,25
EM4	3,56	3,81	0,25
EM5	3,5	3,75	0,25
Total	3,61	3,75	0,14

4.5.1 Difference between male and female expectations of service quality

The difference between male and female expectations of service quality is calculated on the bases of random selection from all respondents (N=22) males and females are selected, in order to easily compare their expectations as shown in below figure 18 and table 5.

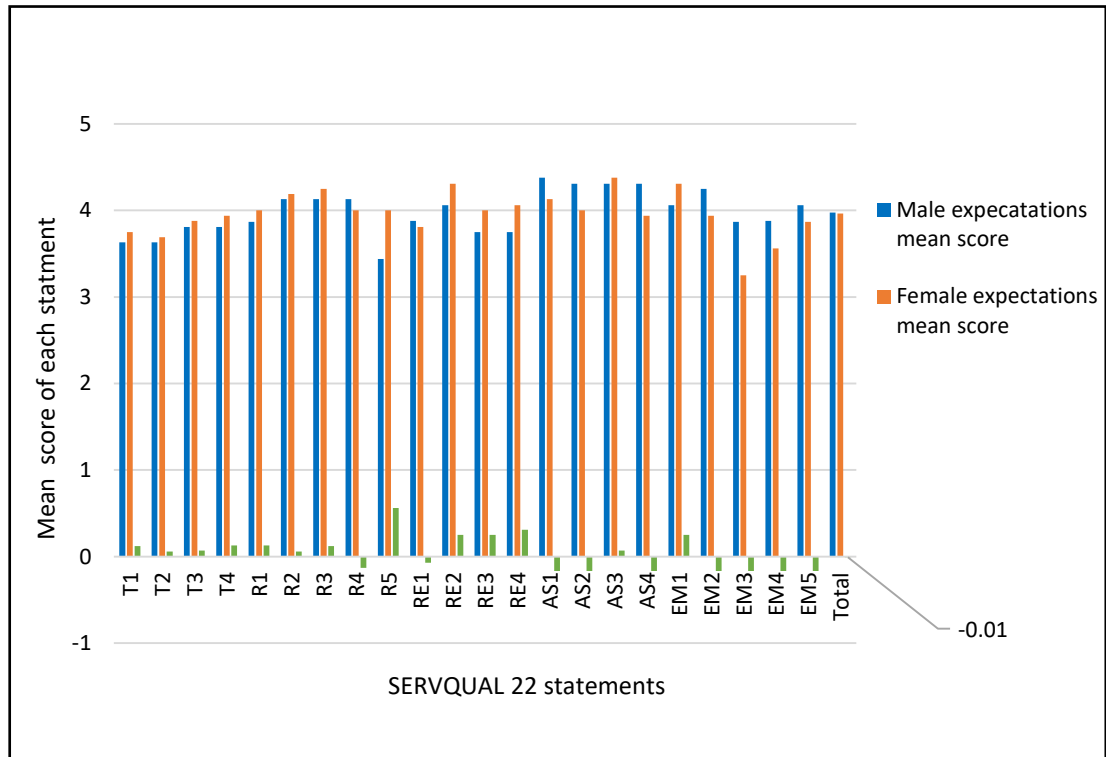


Figure 18. Male and females expectations difference (N=22)

The above diagram shows difference between males and female respondents' expectations of service quality in grocery store. As we can see both females and males have high expectations about the behavior of employees, employees politeness, feeling safe in transactions with contact personnel and advertisements matching with products in grocery store.

Males have higher expectations than females about store operating hours and individual attention from employees i.e. employees are never much busy to answer their questions.

At average level of female expectations are higher than male customers of service quality. The total average score of expected service quality for both males and females are calculated. Males expectations mean scores (3,98) are

higher than females score (3,97). The total average gap score between males and females expectations is (-0,01) which shows small difference among them, as shown in below table 6.

Table 5. Male and female expectations difference (N=22)

SERVQUAL statement	Male expectations mean score	Female expectations mean score	Male and Female expectations average gap score
T1	3,63	3,75	0,12
T2	3,63	3,69	0,06
T3	3,81	3,88	0,07
T4	3,81	3,94	0,13
R1	3,87	4	0,13
R2	4,13	4,19	0,06
R3	4,13	4,25	0,12
R4	4,13	4	-0,13
R5	3,44	4	0,56
RE1	3,88	3,81	-0,07
RE2	4,06	4,31	0,25
RE3	3,75	4	0,25
RE4	3,75	4,06	0,31
AS1	4,38	4,13	-0,25
AS2	4,31	4	-0,31
AS3	4,31	4,38	0,07
AS4	4,31	3,94	-0,37
EM1	4,06	4,31	0,25
EM2	4,25	3,94	-0,31
EM3	3,87	3,25	-0,62
EM4	3,88	3,56	-0,32
EM5	4,06	3,87	-0,19
Total	3,98	3,97	-0,01

4.6 Importance of each SERVQUAL dimension

In the beginning mean score for each SERVQUAL statement importance is calculated through utilizing SPSS software. There after the average score for each dimension (tangibles, reliability, responsiveness, assurance and empathy) has been calculated in order to attain customers view about which dimension is most important and has given priority from their perspectives. The below figure 19 shows importance of each dimension of service quality for customers.

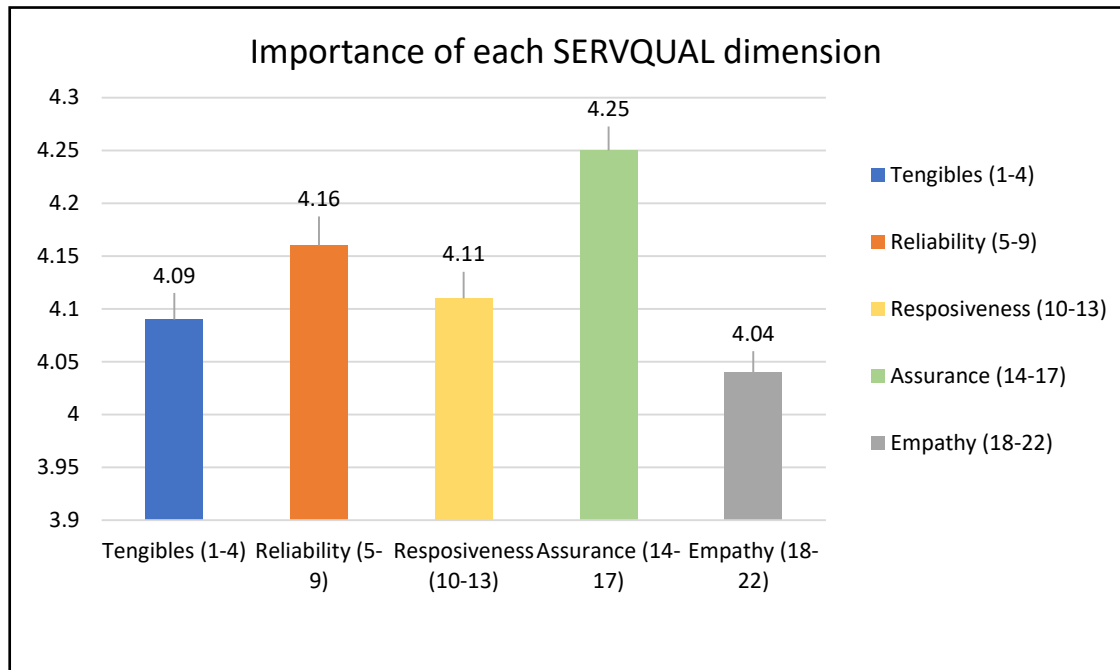


Figure 19. Bar chart of each dimension priority from customers view (N=53)

This figure 19 and table 7 show the mean score of importance for each dimension. The assurance has known a first priority dimension with high mean score of 4,25 from customers perspectives. Grocery store customers are more concerned about employees' behavior to make them feel confidence and employees has the skills to respond their questions. The second priority goes to reliability dimension with mean score of 4,16 from customers point of view. It is important in customer opinion that the employees has to perform service correctly at first time at the designed time frame and deliver the promised service without faults (Zeithaml et al. 2009, 114). Customers have ranked responsiveness as third important dimension of service quality with total mean score of 4,11. The importance of this dimension is related to the willingness of employees to help customers, answer to their requests and providing handy information to customers when the service is performed (Grönroos, 2007, 84-85). The importance of these dimension is followed by tangibles as ranked fourthly with total mean score of 4,09, where the importance goes to grocery store physical facilities, such shelves arrangements, enough space between shelves, product orders in shelves, price tag clear visibility, price tag labeled with right product and grocery store employees' visual appearance. The last

priority goes to empathy dimension with total mean score of 4,04 where customers think about that grocery store has to understand their problems, cared of them and provided personalized service and operating hours has to be convenient for shopping.

Table 6. Importance of each dimension from customers perspective (N=53)

Importance			Importance of each SERVQUAL dimension		
Statements	Mean	Std. Deviation	Dimension	Total mean score	Std. Deviation
T1	4,02	0,84	Tangibles (T1-T4)	4,09	0,75
T2	3,66	0,78			
T3	4,55	0,61			
T4	4,11	0,78			
R1	4,19	0,79	Reliability (R1-R5)	4,16	0,79
R2	4,17	0,73			
R3	4,28	0,79			
R4	4,13	0,81			
R5	4,04	0,81			
RE1	4,02	0,72	Resonsiveness (RE1-RE4)	4,12	0,77
RE2	4,11	0,89			
RE3	4,06	0,80			
RE4	4,28	0,66			
AS1	4,25	0,73	Assurance (AS1-AS4)	4,26	0,80
AS2	4,09	0,95			
AS3	4,32	0,75			
AS4	4,36	0,76			
EM1	4,09	0,74	Empathy (EM1-EM5)	4,05	0,79
EM2	4,17	0,80			
EM3	3,92	0,81			
EM4	3,91	0,84			
EM5	4,15	0,77			

4.7 Customer expectations and experience (perceptions) of products quality

The below table 8 and figure 20 show that customers have different kind of expectations range and percentage about product quality. Most of the customers have expected neither high nor low product quality involves high amount (31) gives a percentage of 58,49 %. Although some customers have expected high product quality, which shows a percentage of 16,98 % counted from 100 %, but others have expected a low quality which represents a percentage of 13,21 %. A small amount of customers with a percentage of 9,43 % have expected very low quality. The lowest amount of customers which is

indicated a percentage of only 1,89 % have expected very high products quality form grocery store.

Table 7. Overall expectations of products quality (N=53)

Scale	N/ Frequency	Percent (%)
Very low quality	5	9,4
Low quality	7	13,2
Neither high nor low	31	58,5
High quality	9	17,0
Very high quality	1	1,9
Total N	53	100,0

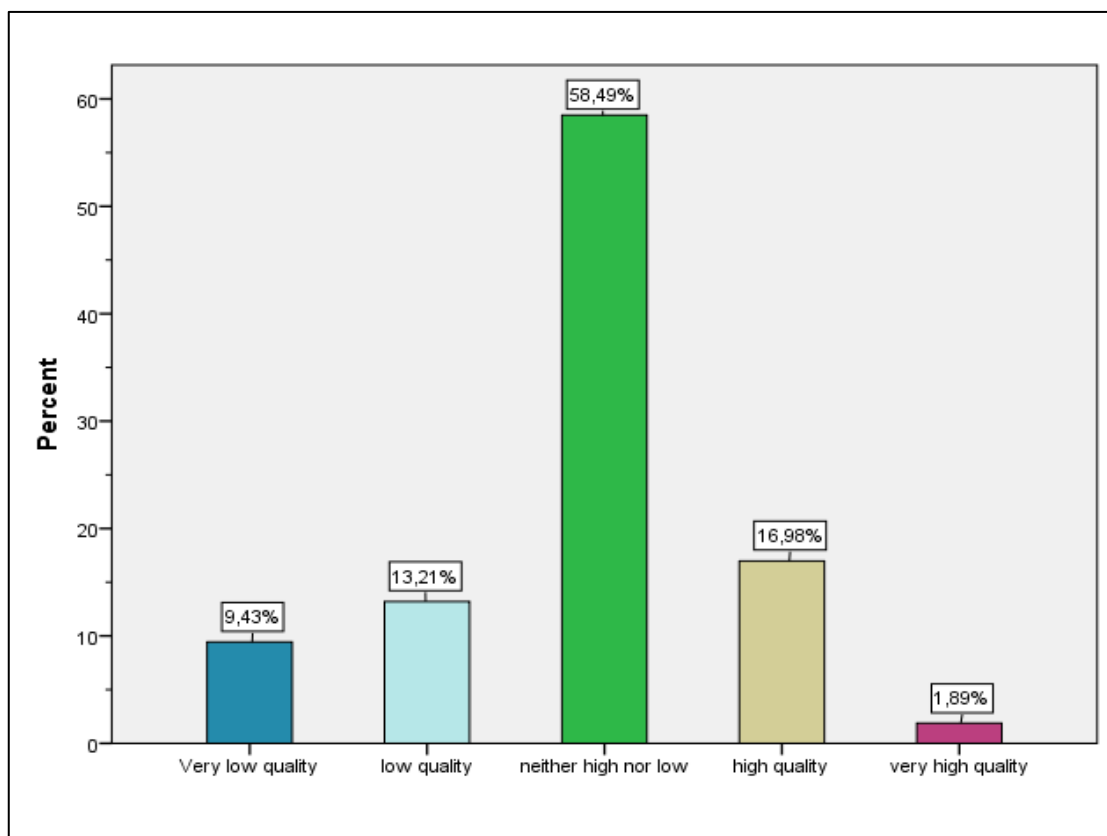


Figure 20. Overall expectations of products quality (N=53)

When it comes to customer experience (perceptions) of product quality in grocery store. The highest number of customers with a percentage of 49,06 % have experienced neither high nor low quality. Customers who have experienced poor product quality make an percentage of 22,64 % and some of customers have experienced very poor product quality shows an percentage of 7,55 % and others have perceived good product quality with a percentage of 22,75 %.

Table 8. Overall customer experienced of product quality (N=53)

Scale	N / Frequency	Percent (%)
Very poor	4	7,5 %
Poor	12	22,6 %
Average	26	49,1 %
Good	11	20,8 %
Total N	53	100 %

As we can see in the above tables 8 and 9 that customers who has expectations of neither high nor low product quality indicated higher percentage (58,49 %) than their experienced product quality, which have showed a lower percentage of 49,1 %. There is huge difference between them. It is followed by the second high percentage of 22,6 % where customer experienced poor products quality. As a result grocery store customers are not satisfied thoroughly with product quality.

4.8 Customer expectations and experience of products variety

Customer's expectations about variety of products from grocery store are based on their requirements of different products from grocery store. The below tables 10 and 11 represent the higher amount of customers with a percentage of 35,85 % has been agreed that grocery store provides variety of products. In contrast their experience (perceptions) percentage is higher than their expectations, which shows a percentage of 37,74 %. Some customers have moderate expectations with a percentage of 28,30 % whether their experience or perceptions shows an percentage of 30,19 % is higher than their expectations. However other customers are totally agreed that grocery store provides variety of products shows their expectations with a percentage of 31,19 % is same to their perceptions but a very small amount of customers with a percentage of 5,66 % have disagreed in their expectations. In contrast their experience (perceptions) is lower with a percentage of 1,89 %. It means that a very small amount of customer are not satisfied with providing variety of products by grocery store but majority are satisfied. (See table 10 and 11)

Table 9. Customers expectations of products variety (N=53)

Scale	N/ Frequency	Percent (%)
Disagree	3	5,7
Moderate	15	28,3
Agree	19	35,8
Totally agree	16	30,2
Total N	53	100,0

Table 10. Customers experienced products variety (N=53)

Scale	N / Frequency	Percent (%)
Disagree	1	1,9
Moderate	16	30,2
Agree	20	37,7
Totally agree	16	30,2
Total N	53	100,0

4.9 Customer expectations, experienced (perceptions) of products price

Figure 21 shows customers expectations of products price at grocery store. There expectations have measured with scale of (too expensive – lowest price). The majority of customers have expected fair and low product price with same percentage of 43,40 % as represented in below diagram 14. Whether other customers with a percentage of 11,32 % have expected lowest product price and very small amount customers with a percentage of 1,89 % have expected expensive product price. The reason of their expectations for expensive products price is products quality. These customers are ready to pay high price at least grocery store provide them high quality products.

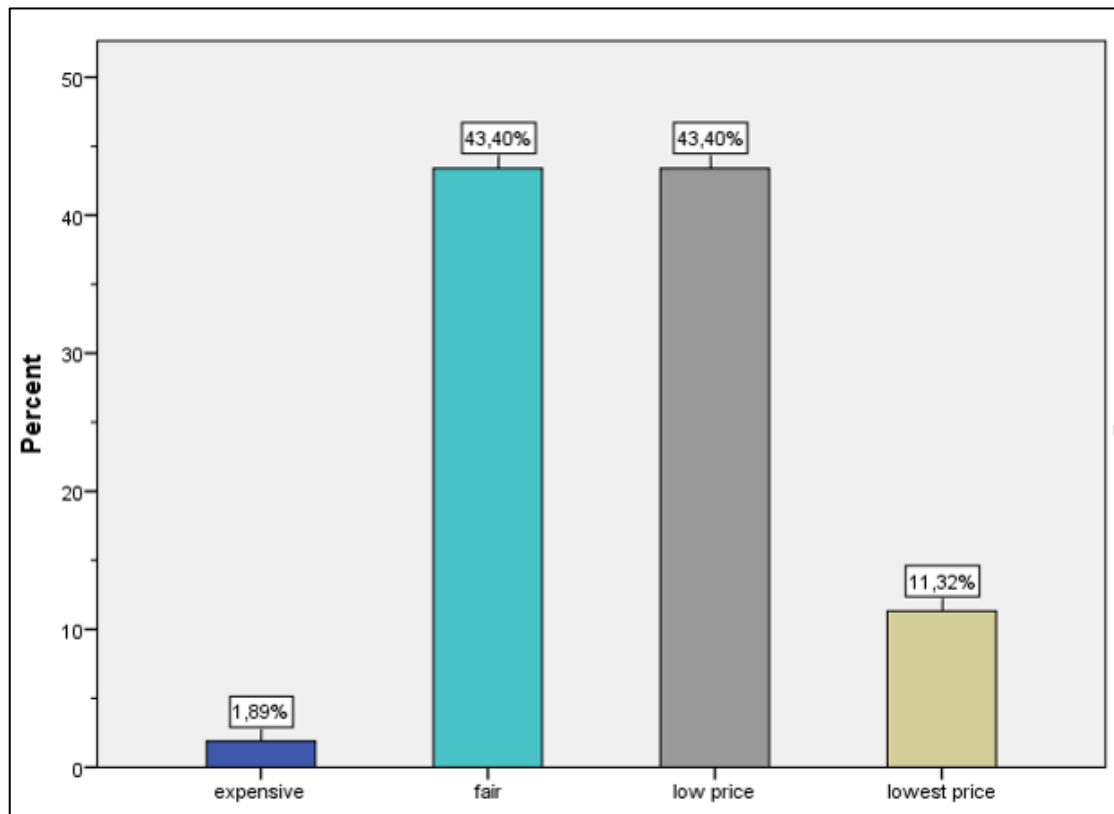


Figure 21. Customer expectations of products price (N=53)

When it comes to customers experience or perceptions of products price, higher amount of customers have experienced low products price shows a percentage of 49,06 % which is higher from their expected percentage 43,40 % of low products price as mentioned before. Customers who has experienced fair products price shows a percentage of 43,40 % which is equal to their expected products price (see diagram 14). As we can also see that customers have experienced lowest price with a percentage of 5,66 % which is lower than their expected percentage of 11,32 %. These amount of customers have higher expectations for lowest products price from grocery store, but other customers have experienced expensive products price with a percentage of 1,89 % which is at same level with their expectations. (see figure 22)

The result shows, that most of the customers are satisfied with products price but other customers with low percentage believed that they are ready to pay higher products price at least they attained good quality products from grocery store.

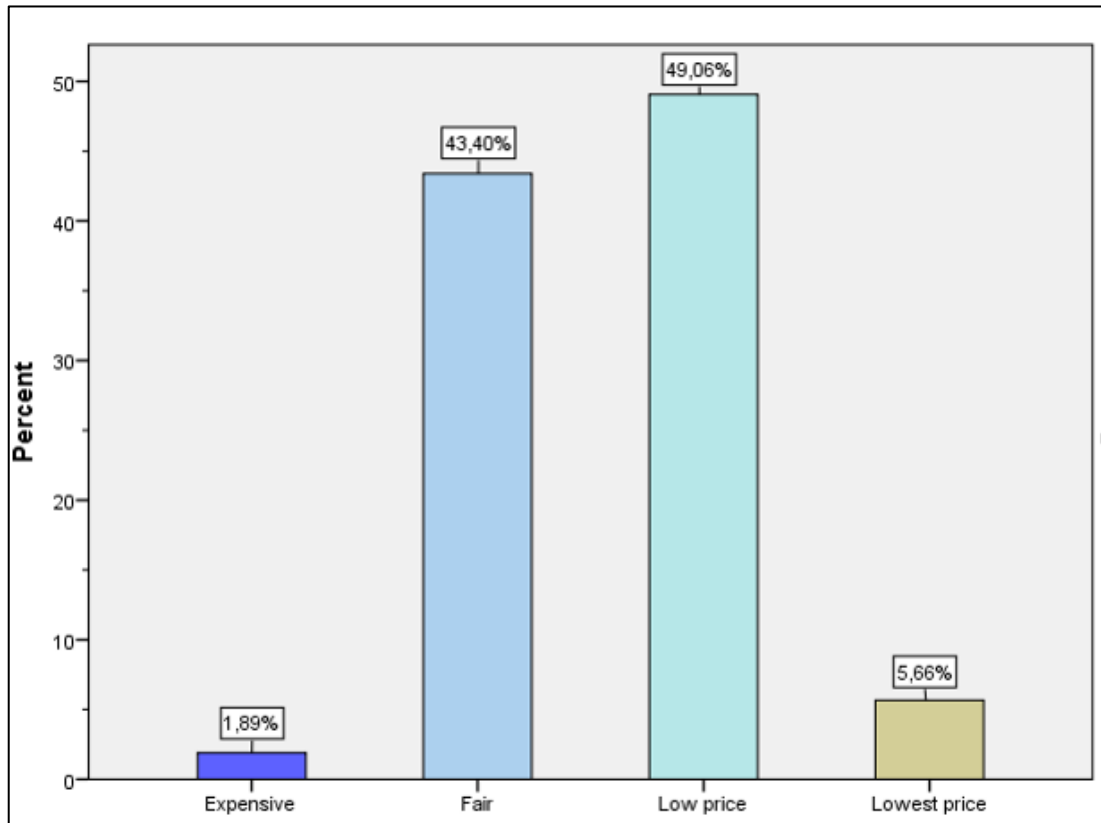


Figure 22. Customers experience of products price (N=53)

4.9.1 Importance of products price for customers

The importance of products price for grocery store customers have been measured, in order to have better information about their opinions, if products price is important for them as shown in the below table 12 and figure 23.

Table 11. Importance of products price for customers (N=53)

Scale	N / Frequency	Percent (%)
Not all important	2	3,8
Less important	3	5,7
Moderate	20	37,7
Important	18	34,0
Very important	10	18,9
Total N	53	100,0

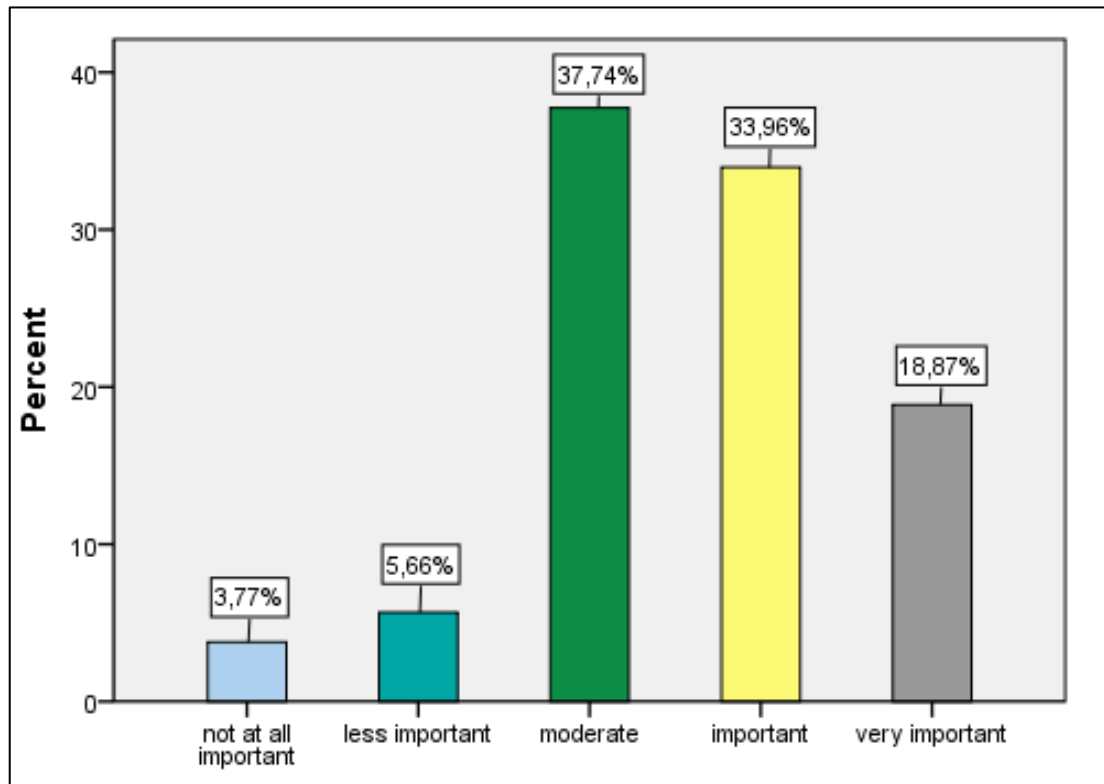


Figure 23. Bar chart representing products price importance (N=53)

The above table and diagram show the customers amount (frequency) and percentages of their opinions. The higher amount of customers show an frequency of 20 with an percentage of 37,74 % have viewed that grocery store products price are moderate, besides this other customers, who have expressed their opinion secondly in high ratio that products price are important with a percentage of 33,96 % but some customers have thought that products price is very important for them, which represents an percentage of 18,87 % of total respondents (100 %). There were also customers for whom products price is less important show a percentage of 5,66 % and eventually for some customers products price is not important at all represents a percentage of 3,77 %.

4.10 Overall service quality expectations and other expectations

The result in table 13 and figure 24 show the overall service quality customers receive from grocery store (see questions 1.2 and 1.4 from questionnaire at

appendix 2). The positive answers of respondents with higher amount (N=39) and percentage (73,6 %) have indicated that majority of customers believe that the grocery store service quality meets their expectations. whether the rest amount (N=14) with percentage of 26,4 % respondents have responded negatively, that means that their expectations of overall service quality are not fulfilled. From total respondents who have answered negatively, very low amount (N=5) with percentage of 9,4 % have provided detail specifications, but the other 17 % have responded without detail specifications.

Table 12. Customers feedback of overall service quality (N=53)

Respondents answer		Amount of respondents / N	Percent (%)
Q: 1.2	Yes,	39	73,6 %
	No,	14	26,4 %
	No, with detail specifications	5	9,4 %
	No, without detail specifications	9	17 %
	Total N	53	100 %
Q: 1.4	with detail specification	6	11,3 %
	No response	47	88,7 %

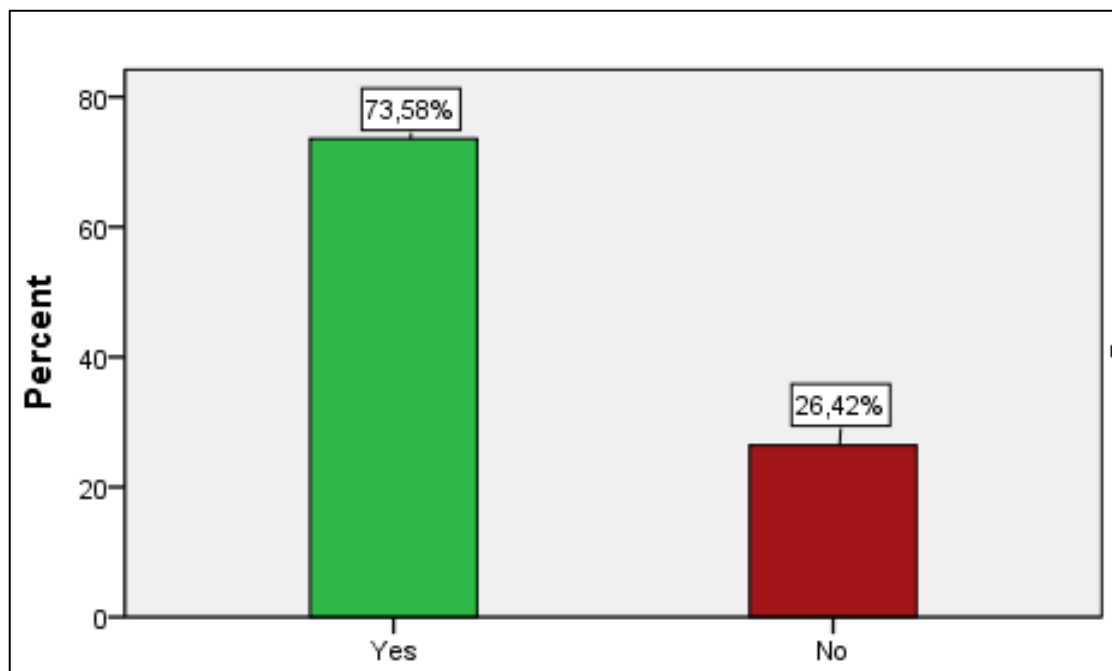


Figure 24. Customers feedback of overall service quality (N=53)

As we can see in the above table 13, customers also have other expectations from grocery store. The respondents rate seems very low with detail specifications, indicated an amount of (N=6) customers with percentage of 11,3 %. On other hand respondents, who have not specified show large amount of (N=47) with percentage of 88,7 %.

The result in table 13 shows, that customers have some explicit and implicit expectations. Explicit expectations are clear for customers as they have specified for overall service quality in the beginning of the process with a percentage of 9,4 % and also have clear understanding of other expectations with a percentage of 11,3 %. These explicit expectations are important for service provider to fulfill as soon as possible and make unrealistic expectations into realistic ones, in this way delivered service will met customer expectations (Grönroos, 2007). Beside these explicit expectations grocery store has to fulfilled implicit expectations. These implicit expectations are clear for customer and do not give much attention and not have specified in detail.

The grocery store has to know about customers fuzzy expectations as well. The result in table 13 shows that customers have fuzzy expectations, but they have not precisely formulated these expectations. Customers have responded negatively with a percentage of 17 % for overall service quality expectations they received from grocery store and 88,7 % customers have no other expectations . They have not provided specified detail about why they are not satisfied with overall service quality (Grönroos, 2007). From customer perspective there is a need to change the current state of service quality, but they do not specify where to bring improvements and what will satisfy their needs. These fuzzy expectations will remain fuzzy, if grocery store does not bring improvements in service quality.

Customer explicit expectations can be found from the above result (from questions 1.2 and 1.4) which are stated as follows.

- One respondent has specified his expectations that grocery store could increase walking space between shelves to be more convenient for customers. In addition he said that it is too difficult for him to walk in narrow tracks between shelves.
- But another respondent was concerned about clear sign board's existence for each department in the store, in order to easily find the

required products. He added that it wastes his time to find the right product from right place.

- One customer has expected that grocery store should increase staff, needs to bring arrangements in store order and products order in shelves.
- Another customer said that the staff has an open-office environment includes everything that customers do not need to hear.
- One respondent said that the store has to consider increase of special staff, and more clarity of store with good products order.
- Availability of more information is expected by another respondent.
- Another customer has expected easy parking place.
- One respondent has expected good selection and variety of products.
- Large area is needed for store expected by another respondent. In addition, he said that the current store, inside space is small compared to products (huge amount of products).
- One other respondent expected wide space between shelves.
- Clear visibility of products categories has expected by another customer.

The above results have provided information about expectations and perceptions level customers have currently, it gives guidelines, where can be increased service quality by service provider in grocery store. If service provider focus more precisely on detection of fuzzy customer expectations then fuzzy and implicit customer expectations becomes clear and less fuzzy (Grönroos, 2007, 101; Liu, 2008, 41). Understanding these expectations is base for improving customer service quality, because customer compares perceived service with expectations.

4.11 Customer opinions and suggestions for providing better service and their opinion about company image

A very few respondents have suggested that grocery store should increase checkout points especially during rush hours. They do not have to wait for a long time. Some other customers are concerned about staff or employees at

the store, added that we meet employees just at the checkout. There is unavailability of staff when needed to solve their problems. Additional staff is needed for providing better services to customers.

When it comes to grocery store image, respondents have answered positively as well as negatively. Customers expressed their opinion about image as follows:

- One respondent said that it is a versatile discount store.
- Grocery store image is good in another customer mind, he said that it is versatile budget shop and products can be bought here at cheaper prices.
- But some other customers said that grocery store is disorganized, confusing and incoherent.
- Another respondent said that the store has huge amount of products, price tags are poorly (badly) displayed at shelves.
- There are narrow walkway or passages between shelves and cheap prices responded by another customer.
- One respondent expressed his opinion about image said that overall appearance of the store look messy and disorganized.
- One more customer said that there are too much product without order and short of employees

The grocery store customers have rated company image on scale from very poor to very good, the below table and diagram show the amount and percentage.

Scale	Frequency or amount of respondents / N	Percent (%)
Very poor	3	5,7 %
Poor	13	24,5 %
Average	18	34 %
Good	19	35,8 %
Total N	53	100 %

Table 13. Company image from customers perspective (N=53)

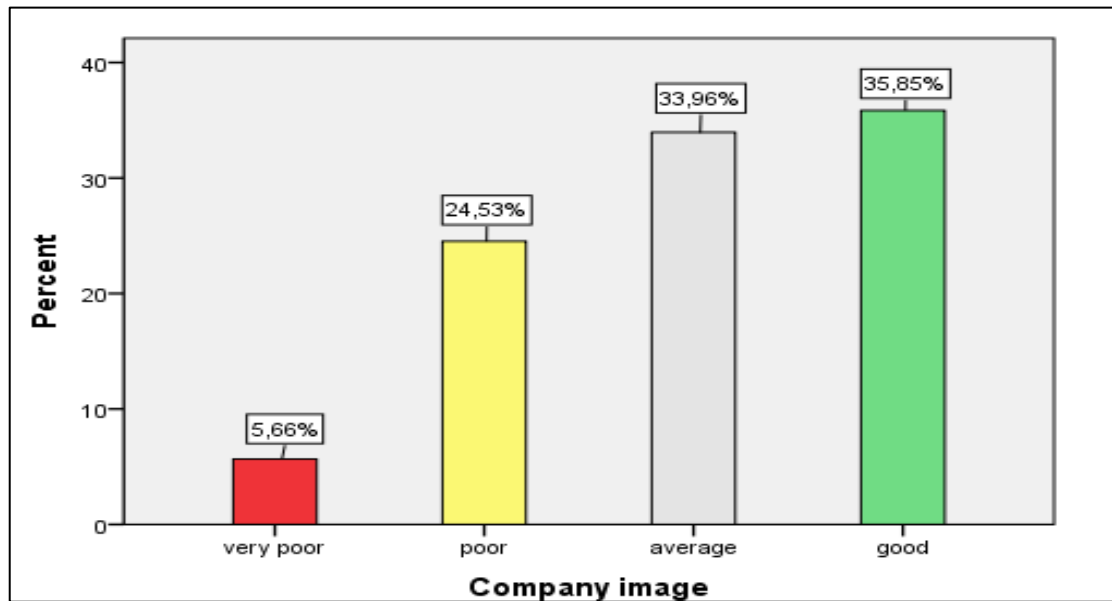


Figure 25. Company image from customers perspective (N=53)

The above table 14 and figure 25 show customers overall company image in their mind. Most of the customers have rated company image on good level, which shows high percentage of 35,85 % of all respondents. The second high percentage of 33,96 % customers have average image in their mind. But there are customers with third high percentage of 24,53 % have rated the company image poorly and other small percentage of 5,66 % think that company image is very poor in their mind.

4.12 Overall service quality satisfaction

The below table 15 and figure 26 show customer overall service quality satisfaction from grocery store. The higher amount of 34 have answered positively with a percentage of 64,2 % meaning that they have satisfied with overall service quality and 16 respondents with a percentage of 35,8 % have answered negatively, meaning that these customers have not satisfied with overall service quality, which make quit large amount of customers.

Table 14. Customers overall service quality satisfaction (N=53)

Response	N / Frequency	Percent (%)
Yes	34	64,2 %
No	19	35,8 %
Total N	53	100 %

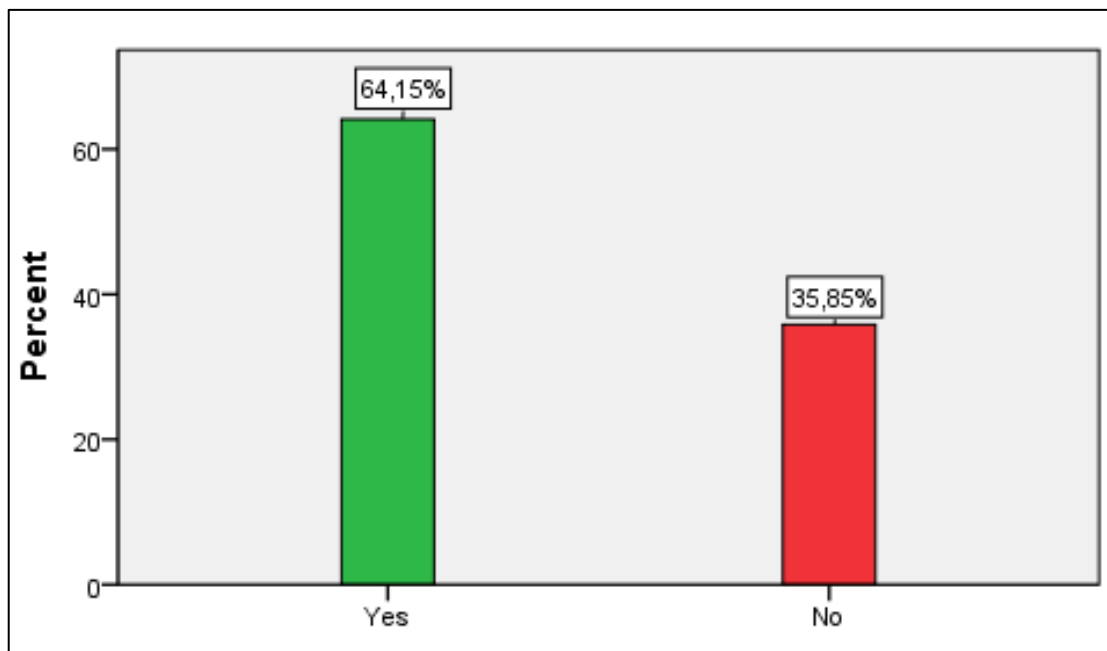


Figure 26. Bar chart representing customers overall service quality satisfaction (N=53)

4.13 Results from staff and management

As researcher already mentioned a mixed method of data analysis used for this study in methodology chapter. Customers survey questionnaire has been analyzed through quantitative analysis method of descriptive statistics through computer based SPSS software. The staff and management opinions analyzed through qualitative analysis.

Interviews for data collection were requested from five (N=5) employees and one member of management, all five employees and one management member were agreed with to be interviewed. The interview was implemented according to agreed schedule with five (N=5) staff members and one management

member of grocery store. The below table 16 shows list of staff and

Respondent	Position title	Type of interview	Interview date
Respondent A	Employee	Face-t-face	12.9.2016
Respondent B	Employee	Face-t-face	12.9.2016
Respondent C	Employee	Face-t-face	13.9.2016
Respondent D	Employee	Face-t-face	13.9.2016
Respondent E	Employee	Face-t-face	14.9.2016
Respondent F	Manager	Face-t-face	15.9.2016

management members participated in interview.

Table 15. List of staff and management members participated in interview (N=6)

4.13.1 Analysis of main themes from staff and Management interviews

The results from staff and management interviews main themes have been categorized into communication, customer feedback & reclamation, employees training, service performance, motivation and company image.

4.13.1.1 Communication

In the interviews performed with staff and management, respondents have expressed views about internal marketing (communication between management and employees) and external communications. These respondents believe that communication with employees from top management play vital role in better service performance which result in delivery of promised service quality to customers. The company internal communication was thought to be extremely important by respondents. They have expressed their opinion about clear information related to their duties on the bases of good communication i.e. to flow right information to right person on the right time to increase service performance for better service quality to deliver. For example information related to upcoming products delivery to grocery store well in advance.

The communication between management and employees helps to flow information related to work performance on timely manner and makes possible for employees to know all matters related to grocery store, in order to have

ready information on hand for customers to deliver service quality on the bases of best service performance.

Respondents thought that management commitment to internal communication can create means for employees to proceed upon. The employees confidence and satisfaction in service performance depends on management openness and respect to communication. Respondents stated that although information comes from top management, if needed but it is not enough. The less flow of information from management to grocery store staff members can negatively affect their work performance. There would be a very small issue to inform staff members, but it might be extremely important for their job performance.

The clear coordination of management messages to employees related to their work is important to adequate consistency between its operations and external marketing communication. This internal marketing has direct relation with external marketing communication. For example respondents brought an idea about grocery store offers to be better displayed in magazines as well as in local daily newspaper and what is promised to through external marketing communication has to be delivered accordingly.

4.13.1.2 Customer Feedback and reclamation

The customer feedback collection and reclamation was the important concern arise in the interviews with respondents. In their opinion feedback system creating is beneficial to know customer expectations and perceptions of service quality and easy to measure customer perceived service quality.

The respondents emphasized that Customers will not bring new ideas for company, but receiving their feedback absolutely can help management to improve service quality through listening their specific expectations. The staff members further emphasized on concrete feedback to receive from top management that could be positive as well as negative, if management already received from customers and customer have given feedback about employees service performance.

The direct feedback and internet based feedback was thought important to collect from customers to know better about their expectations about service quality and other matter related to grocery store.

The respondents have seen Customer complaints an important source of gathering information about customers. For example When grocery store customers complaints are directly brought to employees about service quality and products quality i.e. such complaints included machinery malfunctioned, are the least expensive method to attain information from these customers and knowing their expectations related to service quality and products quality. The grocery store management may never know, what specific expectations customers have of service quality until there is some sort of service or product failure. The complaining customers showing to company where needs to bring improvements.

When grocery store employees listen to customer complaints and responds to their complaints on timely manner and their repeated complaints are welcomed. These customers are most likely to come repurchase and it is easy to sell and serve long-term customers, because they know that service provider has best interest in heart for them and have knowledge about service employees and company business.

The respondent have argued, if grocery store look only at the customers who usually complain about product quality, visual appearance of the store, parking area and only respond to their complaints positively, rather than receive additional feedback from customers who are not complaining, the management may not have broad and complete picture of dissatisfied customers. The respondents gave an example of complaints about products quality which is seen having low quality, because customer have faced malfunctioned with same product repeatedly which cause dissatisfied customer experience and leads reduce repurchasing intention and spread negative word of mouth to others about the product or service. The respondents have thought that customer satisfaction influences through customer complaints system.

Effective handing of complaints leads to positive word of mouth but ineffective complaint handling can begin to negative reaction leading to low service quality which in turn cause losing customers and spread bad word of mouth. (Barlow et al. 2008, 46-50; Peluso, 2011, 51; Kotler et al. 2012, 153)

Kotler (2012,154) recommends that company face problems and make mistakes, but it is important to have good reclamation process for customer complaints. The company own website should have possibility for customers to complain and give feedback.

4.13.1.3 Employees training, service performance and motivation

In the interviews with respondents, employees training and motivations are thought be important to increase service quality. They believe that employees are frontline service encounters in grocery store and training can improve their professional skills which in turn leads to better performance.

Service performance factors were seen important by respondents, mentioned that work environment directly affect their service performance, in other words better work environment provides possibility to have good service performance. They explained that the overall employees' good or bad behavior can affect service delivery performance. One employee bad behavior can also affect his co-worker service performance somehow. Respondents further explained that each employees individual well-being improvement can lead to improve overall service delivery performance. They also believe that positive work attitude is needed to improve service performance for example personnel life related problems and troubles have to be left at home and during the working time needs to extremely focus on work performance, which can directly affect service performance either in good or bad way.

Employee's motivation has seen important aspect of service performance which in turn cause to increase service quality. In respondents views motivation from top management to employees is needed in grocery store. Verbal positive motivation is not enough to motivate employees towards better performance, besides this awards and extra bonus as well should be considered for employees whose performance is good and generates positive results for the company.

Palmer (2005, 450) recommends that it is important to give rewards for achieving goals. These rewards can be in money form or intangibles such as commendations or some other type awards which inspire employees and add

self-esteem to their performance, he adds that financial incentives are good motivator.

4.13.1.4 Company image

The company image has been seen important by the respondents in the interviews. They believe that company image is good and noticeable increase has been seen in image. They also believe that image communicates customer expectations and influences customer perceptions and has an internal impact on employees service performance as well as externally on customers.

In addition, respondents explained that some customer sees company image negatively and speak of “junk shop” but they totally disagree with these opinions. Further explains with examples, that they have faced mostly with machinery malfunctioned complaints from customers. Even though customers complaints and problems were solved and eventually they had good image in their mind, but if customers have faced repeatedly with same problem, then at the end company image negatively affected.

Respondents said that company image is like filter which influences quality of service in favorable way or may influence the quality perception in negative way. Technical quality and functional quality of services are equally seen through this filter. If grocery store customers problems are solved then the end result of this has good technical quality and if the image is good in customer mind then it becomes a shelter, small mistake of the company will be forgiven and customer ignores these minor problems due to this sheltering effect for a short period. This sheltering effect decreased when grocery store repeatedly make mistakes or provide low service quality, unfavorable image make customers dissatisfied.

Grönroos recommends that image improvement programs has to be created on this reality. When the company image is not known and it does not execute well, then the firm need to analyze to find out the image problem. When customer experiences negative image, the problem may be with functional or technical problem, in this kind of cases advertising do not fit with reality and advertising just create customer expectations that are not satisfied. The reality is not changed for customers and they have high expectations, then the service

quality perceptions are affected negatively and in turn company image is also damaged. (Grönroos, 2007, 72. 341-342)

4.14 Comparison of interviews data with customer survey answers

The comparison of customer survey answers with interviews, gives a clear picture of gaps existence between customer and service provider. The customer survey result showed that customer expectations of service quality was higher of their perceived quality from service provider.

Customer survey provided information about customers' satisfaction of grocery store. They are dissatisfied with store physical aspects that is store layout and its visual appearance, physical environment and neatness, such as shelves order, walking space between shelves, products order in shelves, direction signs and lights in grocery store. In customer opinion employees' speed of service was thought slow and the service has not performed promptly. The satisfaction level was low with employees' knowledge and skills to inspire trust and difficult access to service employees. Customers have also somehow poor image in their mind about the company, because most of them believed that grocery store is disorganized, confusing, and incoherent, price tags are poorly displayed and overall appearance of the store looks messy and disorganized.

The answer for customer satisfaction level was positive from staff and management interviews, expressed that customers are satisfied and the satisfaction level and company image are good. But these statements are totally in conflict with customers opinions. It is cleared that management and employees perceived customer expectations inaccurately and there is a difference among company understanding and customer actual expectations. The main reason for not understanding exact expectations of customers is due to management's lack of accurate information and another reason is their unwilling to interact directly with customers to find out about their accurate expectations. This gap is getting wider if management and employees do not collect right information about customer expectations.

The grocery store employees and management argued that they have high commitment to service quality but the customer survey analysis indicated that

customers have not perceived the service quality in many SERVQUAL attributes, has shown negative results. These negative results are related with management perception of service quality specification gap and the reason for this gap could be management indifference or limited resources or may be lack of top management's real commitment to service quality.

The customer survey results show that customer perceptions of service quality was lower than expected. It is also known from interviews that customers have not perceived service quality which is promised in external communication. The customers have felt lower service quality delivery when the advertised messages were not matching with in the store products. The promises made by advertising have raised their initial expectations for service quality which in turn resulted gap between service delivery and external communication gap. The main reason for this gap is inadequate coordination among operation and external communication.

5. CONCLUSIONS

This chapter will provide summary of finding from data analyzation results. The collected information about customer expectations and perceptions is reflected with the case company Lepistö Group Oy and managerial implications are provided in order to fill the gaps between customer and provider. The researcher also provided suggestions for further research.

5.1 Summary of findings

The researcher has started this master's thesis with main research question: *How to develop service quality in Lepistö Group Oy/hintakaari?*

The main purpose of data analysis done by the researcher was to find out the level of service quality customers experienced and expected service quality through SERVQUAL instrument in the grocery store, in order to find answers for research sub-questions.

The researcher has found from the data analyzation of customers' opinions, staff and management think of service quality, that there is a gap between customer expectations, perceptions and also between staff and management.

The average gap (gap 5) between customer experience (perceptions) and expectations of service quality of tangibles dimension has the highest score (-0,80). Customers have high expectations about visual appearance of the store and they are concerned about products appearance and physical aspect of a service where service is delivered to them. Customers have also experienced less service quality than their expected service quality in responsiveness dimension (-0,24). Customers have obtained hardly information, service performance has not provided promptly. The speed of service performance have been experienced slow and waited for a long time at checkouts. There is also gap between customer perceptions and expectations in assurance dimension, the average gap score is negative (-0,16). Customers have not felt confidence with employees and had not easily accessed to employees. Grocery store offers have communicated wrongly, which are not matching to what is

communicated through advertisements. Customers have found wrong information provided in advertisement magazines as well as in grocery store webpage. They have also experienced unavailability of products, which are advertised to them. It is found from the analysis that customers have gap in reliability dimension as well. The reliability dimension gap has negative score (-0,15). Customers have expected from employees about the service to be provided correct at first time without fault as promised. There is no gap between customer perceptions and expectations in empathy dimension (0,04). The perceived service quality is higher than their expected service quality in this dimension. Grocery store customers are satisfied that employees understood their needs and individual attention has given to their requests.

We can see that all five dimensions showed negative gap with total average score of (-0,26). This total negative result shows that there is a considerable gap between customer perceptions and expectations. Customers are not satisfied with current service quality of grocery store.

The difference between males and females experience and expectations have found from the analysis. The result showed that female customers have experienced high service quality than males. But the result about males and females expectations was different, showed that males had high expectations than females of service quality from grocery store. The difference in males and females expectations and perceptions are resulted from their individual preferences and their personalities, which have created differences among them.

It was also found from analysis about the importance of dimensions. From customer perspectives assurance was considered the most important. They are more concerned about employees attitudes towards them and employees skills to respond their requests with confidence. Customers have chosen reliability dimension as a second priority. They expected more from employees to perform the promised service right at first. The next priority of importance has given to responsiveness. In their opinions employees' willingness to help them and providing information on time and employees are always available to provide service on time.

The result found from the analysis about customer experienced and expected product quality, showed that customer experienced products quality is lower

than expected product quality. Customers are more concerned about products quality, they have expected good quality products from grocery store. It was also found about customers experienced and expected products variety. Grocery store most of the customers are satisfied with variety of products, but a very small amount of customers expected more products variety. Customers experience and expectations about products price have found as well. The result showed that most of the customers are satisfied with products price, but other customers with low percentage believed that they are ready to pay higher products price at least they attained good quality products from grocery store.

The researcher have found from the analysis and the result showed that grocery store customers have high expectations about clear sign boards for each department, wide space between shelves, visual appearance of store, clarity of store with good products order in the shelves, increase in employees, availability of information, easy parking place, good selection of products, large area for store compared to products (huge amount of products), clear visibility of products categories and clear display of price tags.

The result was found in the analysis about the overall satisfaction of service quality customer perceived, showed that majority of customers with high percentage of 64,15 % are satisfied and other customers with percentage of 35,85 % are not satisfied with service quality. When we compare this result with average gap score (-0,26) of customers experienced service was lower than their expected service quality, but here high amount of customers responded positively. The main reason for difference in result originated from customers responding attitude. When the researcher have requested in details, then they were to some extent forced to think deeply but when it is asked in general about overall satisfaction of service quality, then they have not focused deeply on their responses. Therefore the result was high in percentage compare to each dimension.

The result was also found from the analysis of grocery store employees and management opinions of service quality. It was found that there is a gap of communication between staff and management. Grocery store employees have expected clear communication from management about all matters related to their job performance, which can affect their service delivery to customers. The researcher also found that there is also gap (gap 2) between management

perception and service quality specification. Where management understands customers expectations about visual appearance of store, increase in employees, easy parking place and wide area for store compare to products, but the means do not exist to deliver to expectations. The reason for this gap could be top management lack of real commitment to service quality. It was also found that there is a gap (gap 4) between service delivery and external communications. Customers have expected more accurate advertisements about offers in magazines as well as in grocery store webpage. Management do not have any specific feedback system in grocery store which creates a gap between customer expectations and management perception. The unavailability of solid feedback system for customer expectations of service quality and those expectations perceived by management inaccurately cause a gap.

5.2 Managerial recommendations / specific plan

The main purpose of this research was to understand customers experienced service quality and expected service quality and the gap between customer expectations and experience, in order to develop service quality for customers. The company can utilize the following guidelines model to improve service quality and will help Lepistö-Group Oy to understand customer expectations and perceptions of service quality.

The company needs to give priority to its customer relationship management system before to carry out customer survey for understanding customer expectations and perceptions of service quality.

The customer relationship management system provides opportunity to the management to contact with customers easily. Management can take into considerations with loyal customer card system in order to prohibit customers continuous bargaining of products offers. From loyal customer system management can also benefit at the time when management will implement customer survey. It gives possibility to do more conveniently online customer survey utilizing loyal customer contacts` information, which are already attained through card issuing process. The customer data can be used to launch

customer survey straight forwardly and it will not be time consuming for the company as well as the customers.

Guideline model for service development in Lepistö- Group Oy	
<p>Steps for development</p> <ul style="list-style-type: none"> ✓ Customer relationship management <ul style="list-style-type: none"> • Customer loyal card system ✓ Customer survey ✓ Customer feedback system ✓ Internal marketing and external marketing communication <ul style="list-style-type: none"> • Coordination between operations and advertising • Flow of information internally and externally • Service culture ✓ Setting service standards <ul style="list-style-type: none"> • Measuring employees performance • Employees team work • Employees training • Employees motivation ✓ Customer <ul style="list-style-type: none"> • Customer listening • Providing guidance & information 	<p>Tools</p> <ul style="list-style-type: none"> ✓ SERVQUAL measurement instrument ✓ Analyzing of customer survey through software

Figure 27. The guideline model for service development

The customer survey can be done through filling in spot or also can be performed through online platform of the company or can be directly send survey questionnaire to customers through email contacts. Customer survey can be designed on weekly bases, monthly or even on yearly bases in order to know customer expectations and perceptions of service quality. The SERVQUAL measurement tool can be utilize in customer survey. It makes possible to identify the gaps, which helps to provide concrete information about the areas where is needed to bring improvements and fill the gaps. It also finds customer gap between expectation and as well as provider gaps.

The other opportunity for company is to create active feedback system for customers to understand more accurate to customers' expectations and perceptions. The feedback gathering from customers can be designed on daily bases. The management can provide specific area inside the store to collect feedback or online platform will be the fastest and convenient method to receive it. Once the customer feedback received then management needs to take action accordingly on time and quickly.

It is necessary for management to adequate coordination among operations and advertising. It is significant to create a system that helps in planning and implementing of external communications campaigns with service operations and delivery.

The internal marketing for example the communication between staff members and management is essential to perform better service. It will enable employees and management to understand the business mission, strategies and external marketing campaigns of grocery store and it is important for employees to have complete knowledge of what the company wants to attain. Communication from top management with employees and clear coordination make employees understand well in advance about issues related to their service performance.

The company external relation with customers are dependent on employee's internal organization climate. Management needs to maintain internal relations with employees, providing necessary information and make sure that feedback goes to employees if management has received directly feedback from customers, informing of employees about campaign process before to launch externally. The employees' confidence and satisfaction is dependent on how

management focus on solving customer issues rather than forcing on employees through existing rules of the company.

Employees communication with customers and messages the company sends through external communication (advertising media) must be in consistent and what is promised with customer through external communication is fulfilled accordingly.

The visibility of company advertising campaigns and other communication efforts needs to be in line for different segments of current customers and potential customers. Grocery store employees are an important secondary audience for external marketing communications, in order to bring improvements in external communication advertisements, it is important to enhance employee's position internally and motivate them to deliver the service quality as promised. The promises which are given to customers through external communication are not satisfied, then expectation and experience gap is getting bigger and customer receive low service quality.

Grocery store advertisements offers related to products must match with products availability in store. When the advertised information or not matching to grocery store products or services, customer often lose control of the situation and in the result often receive this as a negative information.

It is important for management to have commitment in setting service standards, measuring employees' performance, team work and training to close the gap between management perception and service quality specification.

Listening to customers, providing guidance and taking in consideration with their desired expectations related to visual appearance of the grocery store. The appearance of physical facilities are needed to be in order, for instances, proper shelves arrangement, products order in shelves, clear price tags, and sign boards.

5.3 Suggestions for further research

It is suggested that the future research can be conducted on customer relationship management (CRM) for Lepistö Group Oy, in order to create loyal customer system for grocery store customers.

It is also suggested for the company to conduct a customer survey research at least once or twice a year on customers' expectations and perceptions to understand their satisfactions. It will benefit the company to increasingly improve and maintain the service quality.

5.4 Self-evaluation

This Master's thesis research has been quite broad learning procedure in degree program in international business management. This project has started with an agreement done with the commissioner from the field of grocery store business. The research topic was come into place for the first time by the researcher greatly influenced to develop service quality for the company in September 2015.

The researcher has started the literature review in the beginning of this spring and completed in mid-summer this year. The suitable and relevant theory was found to solve the research problem and after completion of theoretical framework, the methodology of research was chosen as case study with a mixed method of quantitative and qualitative data collection was assured.

The data was collected from customers survey questionnaire and interviews were conducted with employees and management of grocery store during September 2016. Data analysis and thesis writing process finalized during November. The researcher thinks that both mixed methods for data gathering provided enough information regarding the understudy phenomenon and worked well together in mixed form which can be applied in other research.

The master degree program research process has provided enough knowledge to the researcher and have gained qualifications through data collections and

analyzation and finding results for managerial implications to bring improvement in service quality.

The researcher of this thesis is thankful of all the support he received throughout the whole study period. Many thanks from Satu Peltoa, Ilkka Virolainen, Minna Söderqvist and all other teachers. The commissioner Lepistö-Group Ltd supported the researcher with all means to complete the development project. The research supervisor Ilkka Virolainen have provided full academic support in whole research process. Many gratitude's from Pirjo Suokas and Susanna Tikka due to researcher received assistance in questionnaire translation from English to Finnish language. Researcher special appreciation goes to his class MB14SY without class fellow was impossible to exchange ideas related to study. At the end special gratefulness's from his parents and whole family that researcher received great support from them throughout the study process.

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CUSTOMER SURVEY QUESTIONNAIRE, STAFF INTERVIEW QUESTIONS,
MANAGEMENT INTERVIEW QUESTIONS (WITH ENGLISH AND FINNISH
TRANSLATION)

Questionnaire in English

This questionnaire will be a part of master's thesis done for degree programme of International Business Management in Kymenlaakso University of Applied Sciences, Kouvola.

Master's thesis commissioner is Lepistö Group Oy / Hintakaari. Information will be used for developing commissioner service quality and also aiming to help other organizations. If you could help me to answer the following questions. Thank you.

Part One: Customers' Expectations, experience and importance

1.1 This part deals with the feature of your opinion about the extent of service quality your expectation, experience and importance as a customer from Hintakaari. Please circle the number (1 2 3 4 5) in each feature in the following table that is close to your expectation, experience and importance about service quality in Hintakaari. Scale for expectation and experience 1-5 (1= totally disagree 2= Disagree 3= Moderate 4= agree 5= totally agree) and scale for importance 1-5 (1= Not at all important 2= less important 3= moderate 4= important 5= Very important)

	Statement	Expectation	Experience	Importance
1	Hintakaari has modern equipment.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
2	Employees are well dressed, appear neat	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
3	Hintakaari physical equipment facilities (shelves, products order in shelves, signs and lights) are visually appealing.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
4	It is Easy to find products in the store	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
5	When Hintakaari promises to do something, it does so.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
6	When a customer has a problem, employees solving it.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7	Hintakaari store performs the service right the first time.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
8	Hintakaari provides its services at the time when promised	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
9	Hintakaari keeps error-free record.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
10	Employees make information easily obtainable by the customers	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
11	Employees are always willing to help customers	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
12	Employees at Hintakaari provide prompt service	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
13	Customers do not wait for long time/speed of service	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
14	The behavior of employees inspires confidence in customer.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
15	How advertisements match the products	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
16	Employees at Hintakaari are polite with me.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
17	I feel safe in my transactions with employees in the Hintakaari.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
18	Employees are professional to answer customer's questions	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
19	The operating hours are convenient for customers.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
20	Employees at Hintakaari understand my specific needs	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
21	Employees give me individual attention	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
22	Hintakaari has best interest at heart for me as a customer	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

1.2 Do you think the service quality provided by Hintakaari grocery store meet your overall expectation?

Yes No

If your answer is "no", please specify "what" and "how" the service should be done? Your opinion!

Appendix 1/2

1.3 How do you rate the product quality you expect overall from Hintakaari?

Scale 1-5 (1= Very low quality 2= Low quality 3= neither high nor low quality 4= High quality 5= Very high quality)

1 2 3 4 5

1.4 What are the other expectations you expect to receive from Hintakaari?

1.5 How do you rate the experienced quality of product overall in Hintakaari?

Scale 1-5 (1= very poor 2=poor 3= average 4= good 5= very good)

1 2 3 4 5

1.6 Do you satisfy with overall service quality of Hintakaari?

Yes No

1.7 Please give your opinions about the overall service quality you receive and suggestions in terms of "how Hintakaari can provide you with better service".

1.8 What is your image about company? Your opinion!

1.8.1 How would you rate the company image?

Scale 1-5 (1= very poor 2=poor 3= average 4= good 5= very good)

1 2 3 4 5

1.9 How do you rate your experience that Hintakaari provides variety of products?

Scale 1-5 (1= totally disagree 2= Disagree 3= Moderate 4= agree 5= totally agree)

1 2 3 4 5

1.10 How would you rate your expectation that Hintakaari provides variety of products?

Scale 1-5 (1= totally disagree 2= Disagree 3= Moderate 4= agree 5= totally agree)

1 2 3 4 5

1.11 How do you rate experienced products price at Hintakaari?

Scale 1-5 (1= too expensive 2= Expensive 3= Fair 4= Low price 5= lowest price)

1 2 3 4 5

1.12 How would rate your expectation of products price?

Scale 1-5 (1= too expensive 2= Expensive 3= Fair 4= Low price 5= lowest price)

1 2 3 4 5

1.13 Do products price important for you?

Scale (1= Not at all important 2= less important 3= moderate 4= important 5= Very important)

1 2 3 4 5

Part two: General information

Please put a cross (X) in the below box and fill the information

1. Gender: Male Female

2. Age: Lower than 20 years old 20-30 years old 31-40 year old 41-50 years old
More than 50 years old

3. How often you visit the shop?

3 or more times /week 1-2 times / week 2 times / month I time / month
more seldom than 1 time / month

Tämä kysely on osa opinnäytetyötäni ylempään ammattitutkintoon (ylempi tradenomitutkinto) Kymenlaakson

ammattikorkeakoulussa. Teen tutkimusta siitä, miten palvelun laatua voitaisiin parantaa päivittäistavarakauppa Hintakaareissa. Olisin kiitollinen, jos antaisit yritykselle mahdollisuuden palvella sinua paremmin vastaamalla alla oleviin kysymyksiin. Arvostamme yhteistyötäsi, ja haluamme varmistaa, että täyttämme odotuksesi.

Osa 1: Asiakkaiden odotukset, kokemukset ja tärkeysjärjestys

1.3 Tämä osa käsittelee odotuksiasi ja mielipiteitäsi palvelun laadusta, millaisia kokemuksesi Hintakaaren asiakkaana ovat. Ympyröi jokaisessa taulukon osiossa numero (1 2 3 4 5) sen mukaan, miten tärkeäksi sen koet, miten se vastaa odotuksiasi, sekä kokemuksiasi palvelun laadusta Hintakaareissa. Odotukset ja kokemukset mitataan asteikolla 1-5 (1=täysin eri mieltä 2= eri mieltä 3= keskitasoinen 4= samaa mieltä 5=erittäin tärkeä) , tärkeysmittana on 1-5 (1 =ei lainkaan tärkeä 2=vähemmän tärkeä 3= tyydyttävä 4= tärkeä 5 =erittäin tärkeä)

Lausunto		Odotukset	Kokemukset	Tärkeys
1	Hintakaari- kaupassa on modernit laitteet.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
2	Työntekijät ovat hyvin pukeutuneet, näyttävät siisteiltä.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
3	Hintakaaren fyysiset laitteet ja tilat (hyllyt, tuotteiden järjestys hyllyillä, merkinnät, kohdevalot ja valaistus), visuaalinen houkuttelevuus.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
4	Miten helppo kaupassa on löytää tuotteita.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
5	Miten Hintakaari täyttää antamansa lupaukset- kun luvataan, niin myös tapahtuu	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
6	Työntekijät yrittävät löytää ratkaisun asiakkaan ongelmiin	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
7	Hintakaari-myymlä pyrkii suorittamaan palvelun sujuvasti, saman tien.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
8	Hintakaari tarjoaa palveluitaan lupaamallaan tavalla, ajanmukaisesti.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
9	Hintakaari on valittu vähiten virheitä tekeväksi kaupaksi.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
10	Työntekijät saattavat tiedot asiakkaalle helposti saataviksi.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
11	Työntekijät ovat aina valmiina auttamaan asiakkaitaan.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
12	Hintakaareissa työntekijät tarjoavat asiakkaille nopean palvelun.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
13	Asiakkaat eivät joudu odottamaan palvelua.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
14	Työntekijät nauttivat asiakkaiden täyttä luottamusta.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
15	Tuotteet vastaavat täysin mainoksia.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
16	Hintakaareissa työntekijät ovat aina kohteliaita.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
17	Liiketahtuma työntekijöiden kanssa on aina luotettava turvallinen.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
18	Työntekijät ovat ammattitaitoisia ja vastaavat asiakkaiden kysymyksiin mahdollisimman perusteellisesti.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
19	Hintakaaren aukioloajat ovat asiakkaiden toivomuksien mukaiset.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
20	Työntekijät huomioivat asiakkaiden erityistarpeita.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
21	Työntekijät huomioivat yksilöllisesti jokaisen asiakkaan.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5
22	Hintakaareissa olet asiakkaana myyjän tärkein huomion kohde.	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

1.2 Vastaako Hintakaaren palvelu kokonaisuutena sinun odotuksiasi?

Kyllä

Ei

Jos vastauksesi on "ei", niin kerrothan mitä ja miten palvelua pitäisi muuttaa?

1.3 Miten arvioisit tuotteiden laatua, ja mitä odotat Hintakaarelta?

Mitta 1-5 (1 =erittäin huonolaatuisia 2 =heikkolaatuisia 3 =keskitasoisia 4 = korkealaatuisia 5 = erittäin korkealaatuisia)

1 2 3 4 5 1.4 Mitä muita odotuksia sinulla on Hintakaaren suhteen?

1.5 Miten kokemuksiesi mukaan arvioisit kokonaisuutena tuotteiden laadun?

Mitta 1-5 (1 = erittäin huonolaatuisia 2 = Heikkolaatuisia 3 = keskitasoisia 4 = Korkealaatuisia 5 = erittäin korkealaatuisia)

1 2 3 4 5

1.6 Oletko tyytyväinen palvelun laatuun Hintakaarissa?

Kyllä Ei

1.7 Kertoisitko mielipiteesi palvelun laadusta, ja omat ehdotuksesi ,miten Hintakaari mielestäsi voisi palvella sinua paremmin!

1.8 Miten kuvailisit yrityksen imagon?

1.8.1 Miten arvioisit yrityksen imagon nykyisellään?

Mitta 1-5 (1 = erittäin huono 2 = heikko 3 = keskimääräinen 4 = hyvä 5 = erittäin hyvä)

1 2 3 4 5

1.9 Koetko, että Hintakaari tarjoaa riittävästi erilaisia tuotteita?

Mitta 1-5 (1 = täysin eri mieltä 2=eri mieltä 3=keskitasoinen 4=samaa mieltä 5=vahvasti samaa mieltä)

1 2 3 4 5

1.10 Hintakaari on valikoimiltaan runsas. Mitä mieltä sinä olet?

Mitta 1-5 (1=täysin eri mieltä 2=eri mieltä 3=keskitasoinen 4=samaa mieltä 5=täysin samaa mieltä)

1 2 3 4 5

1.11 Mikä on kokemuksesi Hintakaaren tuotteiden hintatasosta?

Mitta 1-5 (1=liian kallis 2=Kallis 3 =keskitasoinen 4 = edullinen 5 = erittäin edullinen)

1 2 3 4 5

1.12 Millaisien odottaisit tuotteiden hintatason olevan?

Mitta 1-5 (1=liian kalliita 2=Kallis 3 =keskitasoisia 4 = hinnaltaan edullisia 5 = hinnaltaan halpoja)

1 2 3 4 5

1.13 Ovatko tuotteiden hinnat sinulle tärkeät?

Mitta 1-5 (1 =ei lainkaan tärkeät 2=vähemmän tärkeät 3= melko tärkeät 4= tärkeät 5 =erittäin tärkeät)

1 2 3 4 5

Osa 2: Yleistietoja

Ole hyvä ja täytä alla olevia tietoja.

1. Sukupuoli: Mies Nainen

2. Ikä: Alle 20 vuotias 20–30 vuotias 31-40 vuotias 41-50 vuotias Yli 50 vuotias

3. Kuinka usein käyt kaupassa?

3 kertaa tai useammin /viikko 1-2 kertaa /viikko 2 kertaa /kuukausi kerran /kuukausi
harvemmin kuin 1 kerta / kuukausi

Staff Interview Questions

1. How do you see level of customer satisfaction?
2. How can improve customer service and service quality?
3. What challenges you have met?
4. What are development ideas for those challenges?
5. What do you expect from management that would help your work to improve service quality?
6. How do you see company image?
7. What are the development ideas to acquire accurate information about customer expectations?
8. Do you think that service quality is an issue of highest priority and top management has commitment to service quality?
9. What is your opinion of factors which affect employee's service delivery performance?
10. How can develop employee's service performance?
11. How can develop customer communication that service quality delivery equals with what is promised?
12. What are development ideas when the experienced service quality is not meeting customer satisfaction?

Henkilökunta Haastattelu Kysymykset

1. Miten näet asiakastyytyväisyyden tason?
2. Miten parantaa asiakaspalvelua ja palvelun laatua?
3. Mitä haasteita olet kohdannut?
1. Mitä kehittämissideoita sinulla on näihin haasteisiin?
2. Mitä odotat yrityksestä, joka auttaisi työsi palvelun laadun parantamisessa?
3. Miten näet yrityksen imagon nykyisellään?
4. Mitkä ovat kehittämissideoita saada oikeaa tietoa asiakkaiden odotuksista?
5. Luuletko, että palvelun laatu on koskeva kysymys korkeimman prioriteetin ja ylimmän johdon palvelun laatuun sitoutumisesta?
6. Mitä mieltä olet tekijöistä jotka vaikuttavat työntekijöiden palvelujen tarjoamisesta?
7. Miten voi kehittää työntekijöiden palvelun suorituskykyä?
8. Miten voi kehittää asiakasviestintää niin, että palvelun laadun toteutus on yhtä kuin mitä on luvattu?
9. Mitä kehittämissideoita on, kun koettu palvelun laatu ei täytä asiakastyytyväisyyttä?

Management Interview Questions

1. How management sees level of customer satisfaction?
2. How to improve customer service and service quality?
3. What are development ideas management has for employee's accessibility to necessary information to get their job done?
4. What challenges management have met?
5. What are development ideas for those challenges?
6. What have been good practices for development service quality and how could be done more?
7. How management see company image?
8. How management understands level of customer expectation of service quality and what development ideas management has for knowing these expectations?
9. What is management level of commitment to service quality?
10. How management sees service delivery resources and service performance?
11. How management can develop employee's service performance?
12. How can management develop ideas for external communication to understand customer expectation?
13. What are development ideas management has to increase customer satisfaction of service quality?

Työnjohto Haastattelu Kysymykset

1. Miten työnjohto näkee asiakastyytyväisyyden tason?
2. Miten parantaa asiakaspalvelua ja palvelun laatua?
3. Mitä kehittämisideoita yrityksellä on työntekijöille tarvittavien tietojen saatavuuteen saadakseen työnsä suoritettua?
4. Mitä haasteita työnjohto on kohdannut?
5. Mitä kehittämisideoita sinulla on näihin haasteisiin?
6. Mitkä ovat olleet hyviä käytäntöjä palvelun laadun kehittämiseen ja miten voisi tehdä enemmän?
7. Miltä yrityksen imago näyttää työnjohdon näkökulmasta?
8. Miten työnjohto ymmärtää asiakasodotuksia palvelun laadusta ja mitä kehitysideoita yrityksellä on asiakkaiden odotusten tietämiseen?
9. Mikä on työnjohdon sitoutumisen taso palvelun laatuun?
10. Miten työnjohto näkee palvelun tarjonnan voimavarat ja palvelun suorituskyvyn?
11. Kuinka työnjohto voi kehittää työntekijöiden palvelun suorituskykyä?
12. Miten työnjohto voi kehittää ideoita ulkoiseen viestintään ymmärtääkseen asiakkaiden odotuksia?
13. Mitä kehittämisideoita yrityksellä on lisätäkseen asiakkaiden tyytyväisyyttä palvelun laatuun?

EMPIRICAL RESULT OF CUSTOMER EXPECTATIONS AND EXPERIENCE (PERCEPTIONS)

Customer expectations

	Statement	Coding	Respondents	Mini	Maxi	Mean	Std. Deviation
Q1	Hintakaari has modern equipment.	T1	53	2	5	3,72	,818
Q2	Employees are well dressed, appear neat	T2	53	2	5	3,66	,649
Q3	Hintakaari physical equipment facilities (shelves, products order in shelves, signs and lights) are visually appealing.	T3	53	2	5	3,87	,856
Q4	It is Easy to find products in the store	T4	53	2	5	3,79	,927
Q5	When Hintakaari promises to do something, it does so.	R1	53	2	5	3,96	,808
Q6	When a customer has a problem, employees solving it.	R2	53	3	5	4,00	,784
Q7	Hintakaari store performs the service right the first time.	R3	53	2	5	4,08	,829
Q8	Hintakaari provides its services at the time when promised	R4	53	2	5	3,94	,864
Q9	Hintakaari keeps error-free record.	R5	53	2	5	3,79	,817
Q10	Employees make information easily obtainable by the customers	RE1	53	2	5	3,85	,744
Q11	Employees are always willing to help customers	RE2	53	2	5	4,11	,824
Q12	Employees at Hintakaari provide prompt service	RE3	53	2	5	3,92	,805
Q13	Customers do not wait for long time/speed of service	RE4	53	3	5	3,98	,820
Q14	The behavior of employees inspires confidence in customer.	AS1	53	2	5	4,08	,805
Q15	How advertisements match the products	AS2	53	2	5	4,00	,877
Q16	Employees at Hintakaari are polite with me.	AS3	53	2	5	4,23	,824
Q17	I feel safe in my transactions with employees in the Hintakaari.	AS4	53	2	5	4,02	,843
Q18	Employees are professional to answer customer's questions	EM1	53	2	5	3,96	,831
Q19	The operating hours are convenient for customers.	EM2	53	2	5	3,92	,997
Q20	Employees at Hintakaari understand my specific needs	EM3	53	1	5	3,49	,973
Q21	Employees give me individual attention	EM4	53	1	5	3,55	,952
Q22	Hintakaari has best interest at heart for me as a customer	EM5	53	2	5	3,72	,928

Customer experience or perceptions

	Statement	Coding	No of respondents	Mini	Maxi	Mean	Std. Deviation
Q1	Hintakaari has modern equipment.	T1	53	1	4	2,87	,735
Q2	Employees are well dressed, appear neat	T2	53	2	5	3,30	,638
Q3	Hintakaari physical equipment facilities (shelves, products order in shelves, signs and lights) are visually appealing.	T3	53	1	4	2,26	,763
Q4	It is Easy to find products in the store	T4	53	2	5	3,42	,887
Q5	When Hintakaari promises to do something, it does so.	R1	53	2	5	3,81	,761
Q6	When a customer has a problem, employees solving it.	R2	53	2	5	3,91	,741
Q7	Hintakaari store performs the service right the first time.	R3	53	2	5	3,83	,871
Q8	Hintakaari provides its services at the time when promised	R4	53	2	5	3,87	,785
Q9	Hintakaari keeps error-free record.	R5	53	2	5	3,60	,884
Q10	Employees make information easily obtainable by the customers	RE1	53	1	5	3,58	,819
Q11	Employees are always willing to help customers	RE2	53	2	5	3,89	,954
Q12	Employees at Hintakaari provide prompt service	RE3	53	2	5	3,70	,822
Q13	Customers do not wait for long time/speed of service	RE4	53	2	5	3,72	,769
Q14	The behavior of employees inspires confidence in customer.	AS1	53	2	5	3,83	,826
Q15	How advertisements match the products	AS2	53	2	5	3,68	,936
Q16	Employees at Hintakaari are polite with me.	AS3	53	2	5	4,06	,929
Q17	I feel safe in my transactions with employees in the Hintakaari.	AS4	53	1	5	4,11	,913
Q18	Employees are professional to answer customer's questions	EM1	53	2	5	3,87	,785
Q19	The operating hours are convenient for customers.	EM2	53	2	5	3,98	,796
Q20	Employees at Hintakaari understand my specific needs	EM3	53	1	5	3,58	,949
Q21	Employees give me individual attention	EM4	53	2	5	3,66	,758
Q22	Hintakaari has best interest at heart for me as a customer	EM5	53	1	5	3,74	,858

Appendix 3

Table 17. All Respondents expectations and experiences average score and total gap score of SERVQUAL five dimensions (N=53)

SERVQUAL five dimensions	SERVQUAL Statements	Expectations of respondents		Experience/perceptions of respondents		Gap between expectations and experience	
		Mean score	Std. Deviation	Mean score	Std. Deviation	Mean score	Std. Deviation
Tangibles (T1-T4)	T1	3,72	0,82	2,87	0,74	-0,85	-0,08
	T2	3,66	0,65	3,30	0,64	-0,36	-0,01
	T3	3,87	0,86	2,26	0,76	-1,61	-0,09
	T4	3,79	0,93	3,42	0,89	-0,37	-0,04
	Total	3,76	0,82	2,96	0,76	-0,80	0,06
Reliability (R1-R5)	R1	3,96	0,81	3,81	0,76	-0,15	-0,05
	R2	4,00	0,78	3,91	0,74	-0,09	-0,04
	R3	4,08	0,83	3,83	0,87	-0,25	0,04
	R4	3,94	0,86	3,87	,785	-0,07	-0,08
	R5	3,79	0,82	3,60	0,89	-0,19	0,07
	Total	3,95	0,82	3,80	0,81	-0,15	-0,01
Responsiveness (RE1-RE4)	RE1	3,85	0,74	3,58	0,82	-0,27	0,08
	RE2	4,11	0,82	3,89	0,95	-0,22	0,13
	RE3	3,92	0,81	3,70	0,82	-0,22	0,02
	RE4	3,98	0,82	3,72	0,77	-0,26	-0,05
	Total	3,96	0,80	3,72	0,84	-0,24	0,05
Assurance (AS1-AS4)	AS1	4,08	0,81	3,83	0,83	-0,25	0,02
	AS2	4,00	0,88	3,68	0,94	-0,32	0,06
	AS3	4,23	0,82	4,06	0,93	-0,17	0,11
	AS4	4,02	0,84	4,11	0,91	0,09	0,07
	Total	4,08	0,84	3,92	0,90	-0,16	0,07
Empathy (EM1-EM5)	EM1	3,96	0,83	3,87	0,78	-0,09	-0,05
	EM2	3,92	1,00	3,98	0,79	0,06	-0,20
	EM3	3,49	0,97	3,58	0,95	0,09	-0,02
	EM4	3,55	0,95	3,66	0,76	0,11	-0,19
	EM5	3,72	0,93	3,74	0,86	0,02	-0,07
	Total	3,72	0,94	3,76	0,83	0,04	-0,11
	Total average of 22 statements	3,89	0,84	3,65	0,83	-0,24	-0,02