Effects of Retailer Service Quality on Customer Loyalty and Word-of-Mouth: Mediating Roles of Relational Characteristics

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Quality of customer service has been one of the most representative determinants of retailers' sustainable competitiveness. Since SERVQUAL was originally developed to measure general service quality, it didn't fully consider the underlying characteristics of a specific industry such as retailing. From the retail manager’s perspective, the level of service quality is highly correlated with the level of customer loyalty and the customer’s favorable word-of-mouth behavior. The main objective of this study is to investigate the usefulness and applicability of the different methods, including SERVQUAL, in measuring the service quality of retail environment and their relationships to customer loyalty and word-of-mouth behavior. By exploring the suitability of each different measurement method for retail service quality, this study enhances the understanding of the major dimensions of retail service quality and the analysis of the effect of service quality on customer loyalty and word-of-mouth behavior with some important relational variables.

Among the three different methods including SERVQUAL, SERVPERF, and RSQS scale, we concluded that Dabholakar(1996)'s Retail Service Quality Scale (RSQS) is a better method than SERVQUAL or SERVPERF. Furthermore, we explored the effect of service quality on customer loyalty and word-of-mouth with the three important relational variables as the model mediators. The assessments of reliabilities and validities of measurement scale through LISREL analysis confirm the correspondence rules between the empirical and theoretical concepts (Bagozzi 1984).

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