

# CUSTOMER LOYALTY; PERCEIVED SERVICE ENCOUNTER AND CUSTOMER SATISFACTION IN RETAIL STORES OF TAMILNADU

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## ABSTRACT

*Retailing has been the maximum potential detail for advertising wherein the service encounters closing patrons who trade prices for the item as a result sanctioning the very lifestyles of the industry. The retail industry is the final hyperlink in the distribution chain and its efforts to create calls for and fulfill desires to create avenues for financial pastime. Retailing as an industry is simple, to begin with comparatively limited capital, as well as the minimum groundwork needed. The purpose of this study is to analyze the effect of perceived service stumble on service satisfaction and customer loyalty. Quota Sampling was applied the select 663 sample respondents from selected cities based on their family numbers. The current study aims to contribute to the increasing pool of knowledge on customers' acknowledgment of service encounters. According to commercial practitioners, the size of an employee who comes upon excellence is crucial for several motives. First, if employees stumble upon a high-range, the device might be used as a benchmarking device for service providers to compare their service provision against that of the competition. The research from various angles tries to bring about the association between service encounters and customer loyalty in the retail sector. The literature endorsed by several experts brings forward the importance of service encounters, a detailed understanding of the retail sector, and the long-lasting impact on customer loyalty. The customer opinion on the same has been analyzed, and results assessed, and accordingly, recommendations devised for the improvement of service encounters over the long run.*

**Keywords:** Customer Loyalty, Satisfaction, Perceived Services, Retail store and Retailing.

## INTRODUCTION

Service encounters are the most important social trades that enable customers to judge service quality, which is considered in light of their assessment of individual encounters amid the service encounter parasuraman (Parasuraman et al., 1994; Mattila & Enz, 2002). Service encounters have been a noteworthy estimate of customer conduct aimed at service (Cronin et al., 2000; Farrel et al., 2001). Minimal experimental research has been concentrated expressly on association amid a view of exceedingly favorable or exceptionally unfavorable service encounters and the behavioral goals of customers. Rust & Huang (2014) and Oliver (1997) propose that a solitary or delayed arrangement of service encounters prompts customer satisfaction or dissatisfaction. Comprehensive associations of service encounters and customer impressions of their employer conduct speak to coordinate the determinants of customer satisfaction.

Service standards can be created in either clear-type views for the outlet or via invisible elements such as service encounter (Parasuraman et al., 1985; Wong & Sohal 2002). The view of service standards is a precursor to customer satisfaction. In the service sector, customer content is the primary execution pointer. Customer satisfaction is a forerunner of customer attachment by conveying common service value bitters (Bitner, 1990). Although

subjective, these developments assume a critical part in deciding customer decisions, their choices at extending or ending a relationship, and in this manner, customer maintenance gains a long haul.

In addition, it has been perceived that value must coexist with customers. Suggestions stating that customers change into co-makers of value the idea of service-dominant logic (s-d logic), which has produced new bits of knowledge into our comprehension of showcasing and administration (Vargo & Lusch, 2004). In this way, it ends up concentrating on the advancement of customer–service supplier relationships through collaboration and discourse. These relationships are more often than not created at service encounters amongst customers and bleeding edge employees. Communication between customers and employees is integral to value creation. Because of the way employees' attitudes and their conduct at the service encounter can predictably or contrarily impact customers viewpoint of service quality, retail stores must concentrate their assets on guaranteeing that such service encounters are interpreted dependably and predictably (Zomerdijk & Vries, 2007). The consistent interest of the workforce and powerful retail stores will, at last, encourage their hierarchical abilities and have the capacity to contend effectively in a worldwide commercial centre portrayed by escalated rivalry (Bitner et al., 2000; Gremler et al., 1994).

The scope of this study is to disclose service encounter satisfaction and customer loyalty in a retail setting. Additionally, the research will concentrate on close up and personal service encounters, as these happen most regularly in the retail setting because of the intuitive ideas of the service. A dyadic approach is valuable for understanding service encounters, as it portrays the progression of the service nature of an individual service encounter.

A positive service encounter is a key element in service progress. This leads to high loyalty and increased satisfaction. High intensity encourages retail stores to be more arranged. Retail survives and blossoms with great connections. This has forced retailers to understand the significance of positive service encounters as the best maintenance device. Extraordinary rivalry in the retail industry has drawn more focus in the research of employee and service encounters to understand service quality and its relationship with satisfaction and loyalty. Shostack (1985) states service encounter is "*A timeframe amid which a specifically collaborates with a service.*" A service encounter, also called a snapshot of truth, is a result of the connection between a retail store's employees and its employees.

## Need For The Research

Vargo et al., (2008) recommends that ideas, for example, service encounters, are at the core of S-D logic. Additionally, as indicated by service specialists, a procedure involving the investigation of the service encounter is essential for the eventual fate of amenities, as shown by Grove et al., (1997).

Surprenant & Solomon (1987) characterized service encounters as one-to-one associations between customers and employees. Collaborations with frontline employees, occupy a major place in customer recognition identified with standards and, finally, decide content (Bitner & Hubbert 1994). In the retail industry, satisfaction depends on the assessment of different collaborations between employees and customers (Jamal & Naser, 2002). Along these lines, employers must be aware of their conduct during present service encounters and decide to achieve further service encounters.

Service encounters are an important part of service separation and standard specifications. The result of the dyadic connection was the service encounter made by the two gatherings and the test for monitoring to control these service encounters. A value must be made in communications with customers (Vargo & Lusch, 2004), it is along these lines

imperative to look at the points of view of the two members in the service encounter. The above discussion articulations clarify the basic need for service encounters in the retail industry.

### Statement of the Problem

As specified, the retail store should utilize these service encounters to attract customers to their crease. Unlike different technologies in service stability, service encounters cannot be judged simply by providing any numerical conditions; there are many subjective components affecting the same. The administrative ramifications that these encounters can have may specifically influence the ROI and the piece of the overall industry, as it directly influences the customer's brand decision. This holds a great impact, particularly on account of a retail brand, where trust matters the most and the greater part of the business that they have on the information exchange in the market. Regarding offices, the vast majority of present-day retail might be the same; it is the manner through which amenities are provided that matters. The existence of insufficient concentration on the service brain science part of the business can help us enhance the service encounters in the association. One needs to distinguish between different service communications that customers will have amid an exchange, and recognize what can negatively influence the customers. Customers must be made aware of the culmination of the procedure, the term, and different strides to avoid any equivocalness. This factor can help them reduce the cost and exertion, as the quantity of revamps when there is no equivocalness is far less, and this would likewise enhance customer satisfaction. Likewise, these encounters might be utilized by retail stores to bring different services that they offer. There have been sufficient frameworks and checks created by the associations along a particular ultimate target to deal with the request and supply needs of the association, yet next to no exertion has been put into making them powerful by adding psychological measurement to the same. This would result in a certain increment in brand loyalty, and customers who are happy with the service will like this elude them to an ever-increasing number of customers that can help them build the base. Indeed, even private exchanges where customers are not directly included but rather shape a primary piece of the entire service process must be mulled over with the goal that the general service encounter is charming and streamlined. Retail stores have been spending enormous amounts of money to advance their brand through different mediums; if they figure out how to get their service piece right that can get them to the highest point of the psyche of the customers with negligible expenses and that too for quite a while.

The remainder of this paper is organized as follows. The accompanying area provides foundation data, which is the basis of this research. In this area, we introduce our calculated model and detail our theoretical plan. The research procedure was then nitty gritty in the resulting area. Area three shows the examination and the effects of the research. In the fourth section, we examine the research results and their suggestions for scholars and experts. Finally, we show the restrictions associated with the study and offer headings for further research.

### Antecedents of Service Encounter Satisfaction

The establishment of a large portion of the research on predecessors of service encounter satisfaction is the disconfirmation worldview that fights that customer satisfaction with a service encounter relies upon starting desires for the encounter, contrasted with the genuine impression of the encounter (Oliver, 1980; Berry et al., 1994). It is accepted that

customers whose desires are met or surpassed are happy with the encounter. The same theoretical logic applies to research on service quality recognition. The essential disconfirmation worldview has been broadly utilized as a part of service research, with few difficulties other than the civil argument about whether it is important to quantify service desires and how to gauge them (Taylor & Cronin, 1994). Generally, rather than debating and building a fundamental worldview, research has concentrated on the indicators and results of service encounter satisfaction. From a hypothetical perspective, this has drawn experts into categories, for example, customer–employee cooperation, employee practices, customer-to-customer connections, natural brain science, the impact of services capes, and the impacts of an expensive scope of psychological developments, such as inclination, feelings, and attributions on service encounter satisfaction.

### Contextual Predictors of Service Encounter Satisfaction

While the early Critical Incident Technique research was exceptionally fundamental and, to a great extent, enlightening in nature, it brought forth impressive theoretical research inspecting particular practices, such as employee exertion (Mohr & Bitner, 1995), employee affinity (Gremler & Gwinner, 2000), employee versatility, employee's service recuperation practices (Tax et al. 1998), and employee adaptation practices and their consequences for service encounter satisfaction. Early work on service recuperation practices and grievance satisfaction framed the base of what has turned into a profound act and proceeded with a stream of work on service recuperation, which we do not endeavor to cover here (Orsingher et al., 2010). The greater part of this research unmistakably settled is that employees assume a key part in service delivery results and that the different types of practices and connections can eventually exceed the range of customer content associated with service and organization. This research brought bleeding-edge service employees into the standard of promoting service research. Before research on service encounters, service employees were not seen as a standard component of importance for showcasing in the hypothesis or practice.

Notwithstanding employee practices, research has indicated other key indicators of service encounter satisfaction, including the procedure of service delivery, innovation interfaces, the customer him/herself, different customers, and services cape (Bitner, 1992; Brady & Cronin, 2001).

### Conceptual Framework and Hypothesis Development

Customer satisfaction via a service encounter "*relies upon the introductory desire for the come across contrasted with a real impression of the encounter*" (Rust & Huang, 2012). Along these lines, the view of customers about the components of employee encounters will influence service satisfaction. The research looks at 4 factors employee, gain, innovation, and offerings cape as hints to quantify perceived service encounters.

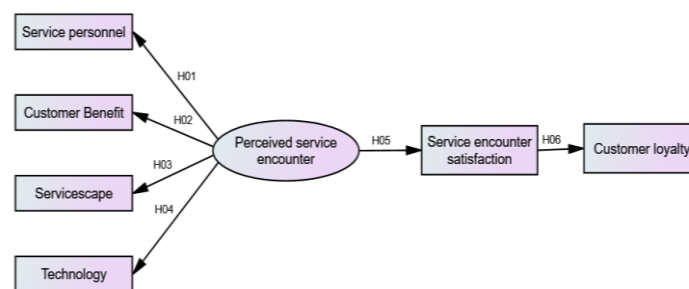
Anderson et al., (2013) found that financial benefits enhanced patron satisfaction. Fee is one of the elements that can affect consumer selection, making (Ayuba, 2014). In addition, in retailing offerings, most blessings are reliable at the quality fear of customers and retail shops.

Service encounters have been portrayed as "*excessive-contact, low-tech,*" notwithstanding that the coordination of innovation is a brand-new advancement of service. Changes in the business and technological situation have made any other development inside the service come across, via relationships between a system and someone (Bitner & Hubbert,

1994; Brown, 1998). Customer practices and employee assessment are encouraged by the infiltration of innovation.

The studies considered servicescape as "*The earth wherein the employees collected and wherein the merchant and purchaser interface, consolidated with unmistakable items that inspire execution or correspondence of the service.*" The servicescape is set up as it impacts the internal reactions and outside practices of the two customers and personnel (Bitner, 1997), the consumer assumption approximately issuer splendid and additionally patron evaluation of elements figuring out the employee fine; and the nature and pleasantness of consumer and employee institutions. Servicescape encourages the association of company services with observers.

Notably, the retail service quarter is judged as its miles encouraged a great deal through offeringscape than less service situated groups. Retail stores can manage offeringscape to energize wonderful personnel and consumer reactions, in addition to increasing the ability of the servicescape to contend with the servicescape of contenders Figure 1.



**FIGURE 1**  
**HYPOTHESIZED MODEL**

Sampling techniques are techniques used to pick a sample from the population by reducing it to a greater conceivable size (Saunders et al., 2003). According to De Leeuw et al., (2012) these sampling techniques are used when inferences are drawn about the goal population. In the present look, Quota Sampling is applied for the selection of respondents from selected cities based on their family numbers. Utmost care has been taken to select the respondents in retail shops.

Hence, the selected population is divided into the four most important towns, and the quota is calculated primarily based on the household numbers from the Tamil Nadu census facts. Samples were assigned to every quota in which the range of cases in every quota from which researchers should collect records and statistics were mixed to offer the entire pattern. Based on the household ratio, the researcher calculated that a 0.0003 percent quota (1 in 3000) might provide enough numbers for each of these four quotas Saunders (Lewis & Entwistle, 1990). The quota classifications are Chennai, – 385, Coimbatore, – 114, Madurai, – 92; and Trichy, – 72.

We used a dependent questionnaire for the information series. Interviewing the customers of supermarkets and hypermarkets at the time of purchase affords them the possibility to understand the size at the same time as answering the questionnaire: this additionally eliminates the problem with retail shop customers trying to remember their opinions about employee encounters and their influences. This research method describes the methods employed to assess the constructs using the accumulated number of statistics. The geographic area selected for this study was the predominant cities of Tamil Nadu. The researcher used a quota sampling technique to gather information from retail store customers,

and 663 customers were selected for the research. Well-based questionnaires and head-to-head interviews were conducted on retail employee encounters, patron satisfaction, customer loyalty, and the socio-financial information of retail store customers. Hence, this chapter concludes with a description of the proposed study layout, sampling plan and setting, the data series method, and techniques of information evaluation.

### Analysis and Interpretation

Table 1 RELATIONSHIP BETWEEN SERVICE ENCOUNTER SATISFACTION AND CUSTOMER LOYALTY						
Dimensions	1	2	3	4	5	6
Service personnel	1					
Benefit	.403**	1				
Servicescape	.590**	.354**	1			
Technology	.201**	.349**	.155**	1		
Service encounter	.445**	.640**	.403**	.414**	1	
Customer loyalty	.597**	.401**	.660**	.251**	.494**	1

\*\*p<.01

The above table indicates that inter-courting between services comes across pleasure and patron loyalty Table 1. The correlation coefficient is used to locate the electricity of the relationship between the study variables: service personnel have a 40 percent positive relationship with benefits factors, 59 percent positive relationship with services care factors, 20 percent positive relationship with technology factors, 45 percent positive relationship with service encounter factors, and 60 percent positive relationship with customer loyalty factors. All relationships are significant at the 1 percent level.

Benefit factors have a 35 percent positive relationship with service cape factors, 35 percent positive relationship with technology factors, 60 percent positive relationship with service encounter factors, and 40 percent positive relationship with customer loyalty factors. All relationships are significant at the 1 percent level.

Services cape factors have a 16 percent positive relationship with technology factors, 40 percent positive relationship with service encounter factors, and 66 percent positive relationship with customer loyalty factors. All relationships are significant at the 1 percent level.

Technology factors have a 41 percent positive relationship with service encounter factors and a 25 percent positive relationship with customer loyalty factors. All relationships are significant at the 1 percent level. Service encounter satisfaction has a 49 percent positive relationship with customer loyalty factors. All relationships are significant at the 1 percent level.

### Reliability and Validity of the Scale

The Cronbach's alpha coefficient ranges from 0 to at least 1 with a minimum of 0.6 at the same time as other research advises that something above 0.7 endorses excessive tiers of inner reliability. Nunnally & Bernstein (1978) suggested that an alpha cost of 0.7 is acceptable. Many researchers have used reliability to check their modified service great scale that ranged from 0.6 to 0.96 (Dabholkar et al., 1996). For the motive of this research, the researcher used Cronbach alpha coefficient (Cronbach, 1951), the most common technique for checking out reliability, and 0.6 could be employed as the minimally commonplace

degree. Using SPSS version 23.0, an inner consistency analysis was completed to evaluate the reliability of the instrument. Table 1 concludes the last Cronbach's alpha records that are more than 0.6, and it infers an excessive level of internal consistency that exists among the samples.

Content material validity is conducted with humans who have the concern of know-how in this subject. Accordingly, fifteen researchers identified 15 specialists. Experts tested the items. Before giving the questionnaire to the experts, the researcher defined the research goals that might be needed the have a look at. The area experts were requested to speak about among themselves and, the validity of every item in capturing the sufficient good data required for the research. They were then asked to offer their remarks on each of the objects. The issue experts suggested that the researcher hold all the variables. The variables that scored less than 0.50 may be eliminated from the research. After considering the content material validity ratio, the overall range of variables taking component in this takes a look at the determined. Taking a look at, it as an information collection tool, needs to produce statistics that are not only applicable but also unfastened from systematic mistakes; that is, it ought to produce valid statistics. In general, a check is legitimate if it measures what it claims to be a degree. However, this test does not possess widespread and eternal validity. It may be legitimate for use in one scenario but invalid if used in every other scenario. Cronbach states that a look that facilitates making one choice in a particular study scenario might also have no price at all for any other. According to Zikmund & Babin (2013), validity is the accuracy of a degree or quantity to which a score truthfully represents an idea. In different phrases, validity is concerned with the test being able to check what it has been designed for, which is not always as simple as it seems Table 2.

<b>Table 2</b>									
<b>Measurement Model for Service Encounters and Customer Satisfaction</b>									
<b>Factors</b>	<b>CR</b>	<b>AVE</b>	<b>MSV</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Benefits	0.984	0.862	0.034	0.929					
Services capes	0.982	0.847	0.118	0.009	0.921				
Service Encounter	0.981	0.836	0.026	0.056	0.073	0.914			
Customer loyalty	0.978	0.816	0.032	-0.111	-0.142	-0.161	0.904		
Technology	0.979	0.823	0.118	0.061	0.343	0.045	-0.124	0.907	
Service personal	0.97	0.761	0.034	-0.185	0.09	0.036	-0.178	0.156	0.872

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<b>Table 3</b>
<b>STANDARDIZED CFA FACTOR LOADINGS</b>

SERVICE PERSONNEL				
Factor	Statement	Reliability	CVR	Loadings
SP1	The service personnel extend a warm welcome and good send-off	0.985	0.73	0.887
SP2	They have deep knowledge of the products			0.816
SP3	Service personnel gives prompt service to every customer			0.903
SP4	Home delivery and similar personalized services are available in retail stores			0.854
SP5	The behavior of service personnel instills confidence in retail stores			0.898
SP6	Service personnel can handle customer complaints directly and immediately			0.812
SP7	Service personnel have an attractive appearance to customers			0.874
SP8	Service personnel respond to customer requests			0.856
SP9	The service personnel's communications with customers were appreciated			0.846
SP10	There are enough service personnel to meet customer needs when required			0.968
BENEFIT				
Factor	Statement	Reliability	CVR	Loadings
BE2	Customers get a Great shopping experience from retail stores	0.983	0.87	0.944
BE3	Retail stores provide their services as per the promised time			0.893
BE4	Retail insists on error-free sales transactions and records			0.947
BE5	Retail shopping store offers merchandise of higher quality products			0.907
BE6	Retail store willingly handles returns and exchange products			0.951
BE7	The retail store accepts all major credit cards			0.874
BE8	Customers feel safe in their transactions with this shopping			0.941
BE9	Retail storesfollow fewer crowds and shorter cash counter lines			0.905
BE10	Retail stores through customers fulfill all their requirements under one roof			0.934
TECHNOLOGY				
Factor	Statement	Reliability	CVR	Loadings
TE1	Retail store's operating hours are convenient	0.981	0.73	0.984
TE2	Retail stores broadcast the Advertisement through all social media			0.932
TE3	Retail customer’s information management is secure			0.889
TE4	Customer satisfied with telecommunication with store employees			0.911
TE5	UPS through customer get continuous power supply in retail store			0.873
TE6	The retail store provides exact, safe, and quick cash transactions to each customer			0.924
TE7	Lift, and escalator in a retail shop reduce customer shopping time to a minimum			0.857
TE8	Retail store offers electronic payment models (ATM, Mobile banking swipe machine)			0.911
TE9	“Personalized news research” news stories delivered over the Internet			0.896
TE10	Customer purchase is secure because of the availability of CCTV Camera in retail store			0.903
SERVICES CAPE				
Factor	Statement	Reliability	CVR	Loadings
SS1	The interior design of the retail store is visually appealing	0.978	0.99	0.939
SS2	Customers are satisfied with the general impression of retail store			0.886



SS3	Other types of communication, such as brochures, are visually appealing in a retail store			0.939
SS4	The retail store’s Equipment (trolley, portable scanner, bar code reader) is fantastic			0.9
SS5	Customers can easily follow directional signs (eg. entrance, exit) displayed on all floors			0.94
SS6	The framework of services capes through customers respond to the environment either emotionally or physiologically			0.867
SS7	Temperature and air quality at the correct level are maintained in the retail store			0.929
SS8	The type of products sold / the prices / the quality of the store are excellent			0.904
SS9	Suitable lighting /play music/color is attractive to retail customers			0.917
SS10	Servicescape is encouraging purchase behaviors to customers			0.98
SERVICE ENCOUNTER				
Factor	Statement	Reliability	CVR	Loadings
SE1	Customer satisfaction with the service encounter process in retail stores is good	0.979	0.73	0.914
SE2	Customers interested in discussing with retail employees			0.888
SE3	The retail store display and images give a good impression to the customer			0.922
SE4	Before the customer waited employee quickly responded to the customer			0.911
SE5	Employees give Product Information before purchase			0.925
SE6	Retail employees Understand the specific needs of customers			0.882
SE7	Employees build a friendly relationship with retail customer			0.904
SE8	Store employees are Courteous in their communication with retail customer			0.914
SE9	Retail store gives prompt services to customers			0.9
SE10	Customers have the option to discuss their likes and dislikes with the retail employees			0.979
CUSTOMER LOYALTY				
Factor	Statement	Reliability	CVR	Loadings
CL1	I would encourage my friends and relatives to purchase from retail store	0.969	0.99	0.911
CL2	While purchasing products from retail stores customers feel positively surprised			0.87
CL3	The decoration of the loyalty cards can satisfy retail customers			0.929
CL4	There are many favorable offers for card members thatnonmembers cannot access			0.86
CL5	Retail customer’s personal and credit card information is secured			0.903
CL6	Retail stores can perform their commitments of promotions for members			0.868
CL7	When customers face problems, employers deal with them on time in retail store			0.919
CL8	Billing is quick at the payment counter with retail customer			0.906
CL9	Employees remember my tastes and preferences when I visit the outlet again			0.882
CL10	In my experience, this retail store is very reliable			0.981

### Impact of Service Encounter Satisfaction on Customer Loyalty of Retail Stores

This part indicates that employees, benefits, technology, and service capes are indicators of perceived service encounters and their effect on service encounter satisfaction. Structural equation modeling was used to examine the relationship based on the type of retail stores Table 4 & Figure 2.

Table 4 IMPACT OF SERVICE ENCOUNTER SATISFACTION ON CUSTOMER LOYALTY OF RETAIL STORES									
Dependent variables	Independent variables	Hypermarket				Supermarket			
		Beta	SE	t-value	p-value	Beta	SE	t-value	p-value
Service encounter	Perceived service encounter	0.759	0.021	13.744	.000**	1.26	0.008	30.266	.000**
Technology	Perceived service encounter	0.454	0.022	7.555	.000**	0.18	0.007	4.999	.000**
Servicescapes	Perceived service encounter	0.505	0.023	8.516	.000**	0.488	0.01	10.427	.000**
Benefits	Perceived service encounter	0.835	0.021	15.392	.000**	0.505	0.013	10.707	.000**
Service personnel	Perceived service encounter	0.561	0.026	9.621	.000**	0.545	0.014	11.397	.000**
Customer loyalty	Service encounter satisfaction	0.402	0.061	7.615	.000**	0.721	0.059	19.738	.000**

\*\*p<.01

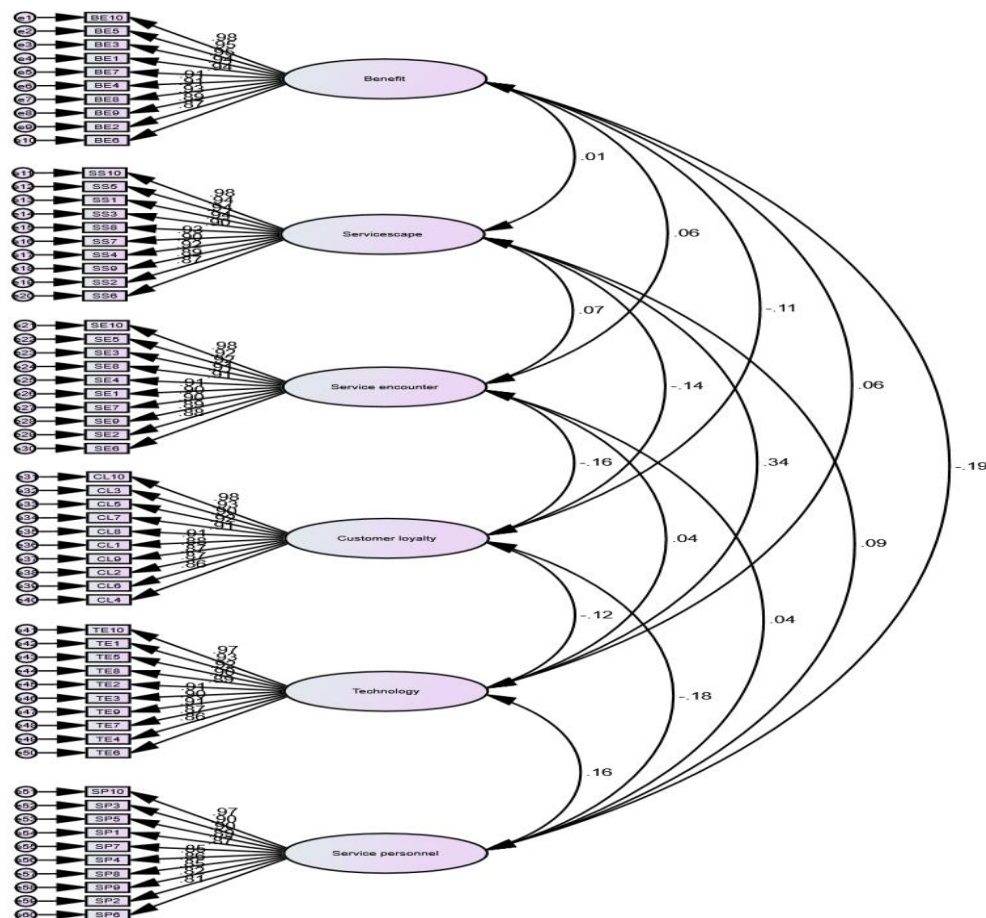


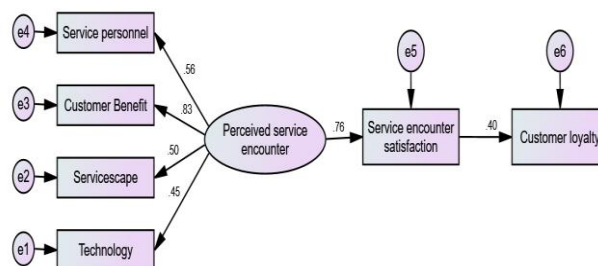
FIGURE 2

### MEASUREMENT MODEL FOR SERVICE ENCOUNTERS AND CUSTOMER SATISFACTION

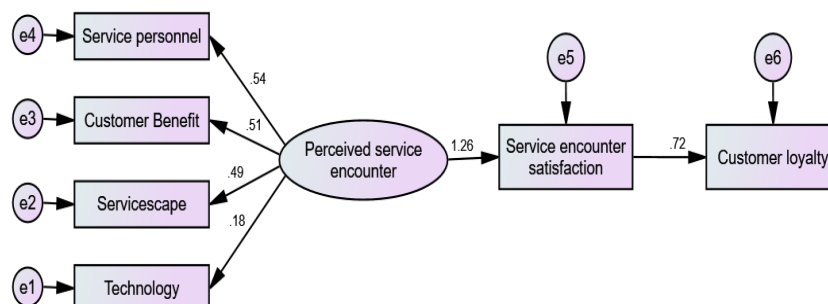
The above desk suggests a standardized beta coefficient for the impartial variables of the service stumble upon pride. These are the values of the regression equation for predicting established variables. The t-take a look at (important ratio) examines whether the standardized estimates (beta coefficient) are distinctive from 0 to be statically vast. The significance check is the essential ratio (CR), which represents the parameter estimate divided by the widespread errors. The parameter estimate is significant at  $p \leq 0.01$ , and the CR fee is  $> 2.58$ . Five unbiased variables we to predict the established variable. For hypermarkets, six giant structural paths and several exogenous and endogenous latent variables are sizeable. The probability of having an important ratio as large as 15.392 and 7.555 has an absolute cost that is much less than zero.001.

Service personnel dimensions (beta=0.561), services capes dimensions (beta=0.505), benefit dimensions (beta=0.835), and technology dimensions (beta=zero.454) are the full-size predictors of perceived service, with the lowest p cost and highest t fee. Hence, it can be concluded that benefits size has a tremendous and superb impact on perceived service stumble upon for hypermarkets. Hypermarket-perceived service has come to a widespread and superb influence on employee encounter pride. When the perceived service encounter is going up using one fashionable deviation, service coming across the pride of the hypermarket is going up by way of 0.759. When an employee comes across pride goes up using one popular deviation, patron loyalty goes up by way of zero.402 fashionable deviations. The outcomes are exceptional when compared with the supermarket service stumble upon satisfaction and its impact on customer loyalty.

For supermarkets, all six structural paths among the exogenous and endogenous latent variables are determined to be significant. The chances of obtaining an essential ratio as large as 30.266 and 4.999 have an absolute fee of less than 0.001 Figure 3 & 4.



**FIGURE 3**  
**IMPACT OF SERVICE ENCOUNTER SATISFACTION ON CUSTOMER LOYALTY FOR HYPERMARKETS**



**FIGURE 4**

### IMPACT OF SERVICE ENCOUNTER SATISFACTION ON CUSTOMER LOYALTY FOR SUPERMARKETS

Service personnel dimensions ( $\beta=0.545$ ), services capex dimensions ( $\beta=0.488$ ), benefit dimensions ( $\beta=0.505$ ), and technology dimensions ( $\beta=0.180$ ) are significant predictors of perceived service encounters with the lowest p-value and highest t-value. Hence, it can be concluded that the service personnel dimension has a significant and positive impact on perceived service encounters in supermarkets. Supermarket-perceived service encounters had a significant and positive influence on service encounter satisfaction. When perceived service encounter increases by one standard deviation, service encounter satisfaction of the supermarket increases by 1.257. When service encounters satisfaction increased by one standard deviation, customer loyalty increased by 0.721 standard deviations. Based on the two -different models, we can conclude that service encounter satisfaction and customer loyalty are better in supermarkets than in hypermarkets Table 5.

Table 5 MODEL FIT SUMMARY FOR IMPACT OF SERVICE ENCOUNTER SATISFACTION ON CUSTOMER LOYALTY BASED ON TYPE OF RETAIL STORES			
Measure	Estimate	Acceptable Threshold	Interpretation
CMIN	84.552	--	--
DF	18	--	--
CMIN/DF	4.7	Between 1 and 5	Acceptable
CFI	0.901	>0.90	Acceptable
NFI	0.905	>0.90	Acceptable
GFI	0.919	>0.90	Acceptable
AGFI	0.851	>0.80	Acceptable
SRMR	0.024	<0.06	Excellent
RMSEA	0.071	<0.08	Acceptable

Browne & Cudeck (1992) showed that the version suit can be checked with the aid of RMSEA, in which much less than 0.08 has a good fit, and less than 0.05 has a more in-depth healthy. Chin & Todd (1995) have a look at proposed that for the goodness of version, healthy GFI (Goodness of Fit Index) and NFI (Normed Fit Index) need to be above 0.9, and AGFI (Adjusted top-of-in shape Index) ought to be above 0.8. Experts recommend that for the correct model suit Comparative Fit Index (CFI) must be more than 0.9, and SRMR<0.08. The above description shows the exact model suite.

### Implications of the Research

A positive service encounter is a primary medium for achievement in the service sector. This results in excessive purchaser loyalty and adequate advice. A highly ambitious nature stimulates organizations to turn into a greater customer-centered firm. The retail sector sustains and prospers over proper customer interplay. It pressured distributors to perceive the significance of favorable service encounters as the finest purchaser-sustaining medium. Enormous rivalry in the retail sector led to greater cognizance of the learning of workers and service encounters in assessing service standards, as well as its association with purchaser delight and attachment. Service encounters are valid dealings among customers and service sector employees in which retaining customers' desire for the personnel of the store

guarantees to provide prompt offerings, which is verified through the use of customers in phrases of employee results, such as pride and attachment. For, service has evolved to be a prime target and not the simplest way to examine customer delight and its effect on service standards.

This research attempts to perceive and crosscheck the primary resources central to a superb service encounter and its effect. Research targets the analysis of how a positive service encounter influences service standards, as well as how it associates and results in consumer attachment. The results were diagnosed through a complete evaluation based on the available literature. Facts collected through customers were assessed SEM, to assess the course association among these three elements, since they have been the outcome of nice service stumbling over the years. In particular, a strong and substantial association exists between patron content and consumer attachment.

The results create a forcing angle over the effect of employee experience in such dealings to provide strength in creating delight rather than simply employee standards. The most viable rationalization deals with the function of service vendors in creating associations with purchasers, as they supply providers. Although the service may appear objective (i.e., attaining precise items moved from one factor to another in a well-timed, efficient, and effective way), the employer of the service employee can also have a crucial effect on the feelings of the patron. Service employees who might be beneficial, knowledgeable, and acceptable will make the service more enjoyable or satisfying for the customer, as opposed to impolite and impatient personnel. Mistaken behavior through the employer might additionally compel the patron to look for a new shipper, although the products are moved correctly. The results also additionally provide large inferences for association advertising. Relationship marketing has been involved in maintaining long-duration associations with customers, as opposed to indulging in private deals. Because it is inexpensive to maintain an existing consumer in place of bringing in a new one, it ought to be taken so that interface departments are all targeted on this intention. Bitner (1997), detailed that sales impetus within agencies is installed in this manner to praise producing new customers and now not preserving current ones. Perhaps interfacing departments want to receive impetus to retain contemporary customers' glad to become unswerving customers (Lin & Mattila, 2010; Farrell et al., 2001).

## CONCLUSION

Retailing in India has been one of the cornerstones of their economic system, as retailing contributes to approximately 14-15 % of GDP. The Indian retail market is expected to reach \$ 450 billion and is one of the five pinnacle retail markets world. The Indian retail market is developing rapidly, with approximately 1.2 billion human beings. Service encounter is one such tool that ensures customer loyalty in the retail sector. Service encounter is the medium to arouse confidence in the minds of customers, which turns out to be loyalty from the customers' end. The company stumbles upon accepting the importance of retail putting. Not different from regular practice attention must be placed on reviving positive customer service. Customers have the most expectations of visibility and, loyalty elements; the customer's lowest expectations are in response, guarantee, and empathy. It can characteristic a 2nd criticism of retailing service endeavors as an extended way of reliability, bodily components, trouble solving personal interplay, and coverage. An explanation of customer objective responses might provide outlets with a better option. Management of retail helps stores adjust their endeavors closer to ensuring that advanced preferred services come across

enjoy stores can similarly apprehend. All of these facts about services come upon in the retail industry.

The present unit details the different angles of the service encounter and their impact. The unit also provides findings derived from the research. The findings imply that responsiveness and guarantees supplied by retail personnel are the most important participants in the first-class desirable service. Even though proficiency has been a finer device for customer estimates of service standards, the enchantment of employers about appearance and character is not determined to affect customers' notion of employee exceptional. The outcomes suggest that exact service satisfaction contributes to the development of customer loyalty through consumer delight. Additionally, relevant suggestions for promoting service encounters in the retail sector and their implications for the sector are provided.

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