A Study of Determinants of Supermarket Service Quality - the Case of Coopmart Supermarket in Vietnam

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Abstract The study aims to identify the factors affecting the service quality of retail supermarket. Through approaching other studies, the study evaluated the service quality in general and the service quality of retail supermarket in particular. Qualitative method is used for exploring the research model and variables. The survey was conducted to collect the customer's opinion from Coopmart supermarkets in Ho Chi Minh City of Vietnam. This study revealed that five factors have impacted on the service quality in supermarket retailing – a modern retail business which provides both goods and services. The study proposed some policies for supermarket business managers and some suggestions for further studies.

Keywords Supermarket, Retail, Services, Goods, Factors

1. Introduction

With the open-door policy for the retail industry since 2009, the Vietnamese market has become a fertile environment to attract foreign and domestic investors. Retail market in Vietnam in general and Ho Chi Minh city in particular is benefiting from macroeconomic advantages such as a steady economic growth rate, an increase in per capita income, an improvement in living standards and a steady population growth in which the intellectual young population and independent living trends account for a large proportion. In the retail market, the commercial center segment has the largest market share with 53% (Vu [18]). Saigon Co.op is Vietnam's leading retailer, through retail models including Co.opmart, Co.opXtra, Co.op Food, Co.op Smiles, Cheers. Vietnamese consumers tend to shop in commercial centers. According to the survey of shopping habits of Vietnamese consumers, 92% of people shop at supermarkets and 6% online shopping. Saigon Co.op ranked 3rd in the Top 10 Prestigious Retail Companies in 2018 (Vietnamreport [17]). Saigon Co.op, which has operated under the co-operative model, has

enjoyed the honour of winning the gold award for leading retailer in Viet Nam. The company, which has also been included in the list of the top 500 Asia-Pacific retailers for many years, has become a rare phenomenon of a co-operative economic model that is operating effectively, especially in the context of fierce competition amid international integration. Ho Chi Minh city is the biggest city and crowded city, with about 8.7 million people compared to 96.9 million people in Vietnam. Ho Chi Minh City has 46 commercial centers, accounting for 25% of the whole country (General Statistics Office of Vietnam [6])

The quality of service provided has become a strategic direction and an effective business policy that enterprises implement in order to increase competitiveness and attract customers, an important approach in modern business management aiming at towards the ability to serve customers optimally (Avkiran [2]; Abu[1]). Parasuraman et al.[12] argued that service quality is the distance between customer expectations and perceptions of customers when they purchase and use the service. Service quality was also defined as the ability of a service including overall durability, reliability, accuracy, ease of use, ease of repair, and other valuable attributes for performance (Dabholkar et al.[5]). They developed a spatial model of 28-item scale called Retail Service Quality Model (RSQS) to apply into retail industry, 28 items of scale includes 17 items kept from SERVPERF scale and 11 items found out from a qualitative research and are divided into 5 dimentions which are Physical aspects, Reliability, Personal interaction, Problem solving, Policy (Dabholkar et al.[5]). In addition, due to the different cultural environment, consumers in different countries may perceive different quality of service for each type of service (Cronin and Taylor [3]; Cronin and Taylor [4]; Nguyen[11]).

Research on quality of service as well as identifying factors affecting service quality has been of considerable interest to researchers and managers through the development of theoretical foundations (Smith[14]) identifying the quality of service and verifying the hypotheses of the research model (Thenmozhi and Dhanapal [16], thereby recommending improvements in

service quality. Since the 1980s, theoretical studies and the empirical model of service quality have begun to propose, in particular, studies by Grönroos[7], Parasuraman et al.[13], Cronin and Taylor [4], Sweeney et al.[15], and the practical application of service business in Vietnam (Nguyen[11]). These studies have developed a theoretical framework for analyzing quality assurance with a variety of components, deployed in different service sectors. Therefore, this paper aims to identify the factors affecting the service quality of retail supermarket. Through approaching the models of service quality assessment conducted at domestic and international published in scientific journals as well as business management practices of the enterprise to define the model of researching and evaluating the quality of retail supermarket services in case of economic and culture in Vietnam.

2. Literature and Research Model

2.1. Literature

There are different perspectives on service quality, reflecting service endeavors of the business and the recognition of customers. Lehtinen and Lehtinen [9] argued that service quality must be assessed in two respects, one for service delivery and the other for service results. Grönroos [7] also presented two components of service quality, namely, technical quality - what the customer receives and the functional quality - how the service is provided. Parasuraman perceived service quality as "the degree of variation between customer expectations of service and their perceptions of service outcomes." Quality-of-service studies use a combination of two qualitative research methods and quantitative methods to develop a scale and verify the scale of components that make up the service quality (called the SERVQUAL scale).

The SERVQUAL scale is adjusted and tested in a variety of services, including 22 variables to measure five components of service quality: reliability, responsiveness, assurance, tangibles, and empathy. Since then, many studies have been using the SERVQUAL scale to measure service quality and assess the effectiveness and reliability of industries with different cultural contexts Mehta et al [10].

Retail business in the form of a supermarket is a mixed business between the supply of goods and services, so research on the quality of retail services requires the inheritance and incorporation of the characteristics of this type of service. Dabholkar et al.[5] reflected in the study of the retail services quality, has provided five basic components of the quality of retail services: shape, reliability, service personnel, complaint resolution, and store policy. Retail service quality scale of Dabholkar et al. [5] is condersidered appropriate scale in the retail market because the form of supermarket business is a mixture of products and services.

This study used a retail quality scale Dabholkar et al. [5] and Nguyen [11] applied to the retail sector in Vietnam. Based on the research results of authors mentioned above, using qualitative research methods to adjust and supplement the components of the quality of retail supermarket services in economic conditions, distribution and culture in Vietnam.

2.2. Research Model and Hypothesis

The research model is based on the synthesis of variables published in empirical studies, mainly from the work of Dabholkar et al.[5] and Nguyen [11] and through qualitative research from interviews with supermarket managers, marketing experts, and regular shoppers at established retail outlets in coopmart supermarkets in Ho Chi Minh City.
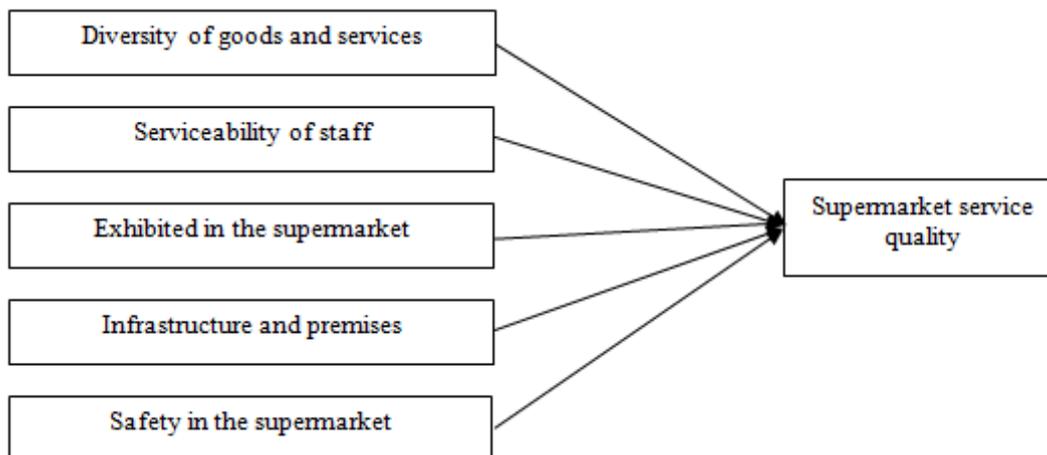

Figure 1.   Research model

Qualitative research results show that the quality of supermarket services is a multidimensional concept consisting of five components, namely (1) diversity of goods, (2) serviceability of employees, (3) how to display in the supermarket, (4) supermarket layout, and (5) safety in the supermarket. In general, the components of quality of supermarket services such as staff, supermarket premises, display of goods are similar to the supermarket service quality model of Dabholkar et al.[5] and Nguyen [11].

2.2.1. Diversity of Goods and Services

The diversity of goods and services reflects the richness of the commodities and services that marketed at the supermarket and the services that supermarkets provide to customers, bringing the ability to select and purchase customers, meet the main needs of customers when coming to the supermarket. The goods sold at supermarkets are one-sidedly formed from the purchase relationship of the supermarket with the manufacturers, on the other hand formed from the strategy of developing goods under the brand own supermarket. The variety of goods and services of the supermarket determines the ability to attract customers to meet the needs of customers. Based on the results from previous studies, the first hypothesis is:

H1: The diversity of goods sold at supermarkets strongly influences the quality of supermarket services.

2.2.2. Serviceability of Staff

The ability of staffs to serve shows the number and quality of existing staffs in the supermarket is ready to welcome and serve customers. Supermarket employees with professional service skills, attentive service attitude, caring, customer care and advice to customers during the purchase, support and answer customer questions. It is decided from the previous studies, the second hypothesis is:

H2: The ability of the staff at the supermarket to influence the quality of supermarket service.

2.2.3. Exhibited in the Supermarket

Display is a popular activity that shows the characteristics of the supermarket compared to other types of retail. Exhibits at the supermarket include interior display and arrangement, display facilities, indication information systems, scientific and artistic displays. Exhibiting at the supermarket is of special importance, on the one hand demonstrating in a scientific way and attracting customers to sell items, on the other hand showing persuasiveness and customer orientation when searching and selecting. It helps to decide the quality of supermarket service. Based on the results from previous studies, the third hypothesis is:

H3: Displaying in supermarkets strongly influences the quality of supermarket services

2.3.4. Infrastructure and Premises

Infrastructure and premises indicates physical elements that make up the supermarket and the interior of the supermarket to support and facilitate the customer to access and fulfill the purpose of sightseeing and shopping. Supermarket infrastructure and premises include such factors as the location of the supermarket, distribution of the inside space, the shopping and payment support facilities, parking lots and storage facilities and facilities for keeping customers luggage. Supermarket infrastructure and premises affect the quality of supermarket services. Based on the results from previous studies, the fourth hypothesis is:

H4: Supermarket infrastructure and premises strongly affect the quality of supermarket services.

2.3.5. Safety in the Supermarket

Shoppers at the supermarket always ask for safety. Safety in the supermarket signifies the establishment of a safe mode through means of fire prevention and firefighting, the escape signage system, the presence of security personnel and the state of security in whole supermarket. Once the safety factor in the supermarket is guaranteed, it will create a safe atmosphere for customers to visit and shop, create conditions for customers to stay long in the supermarket and thereby promote safe shopping. Safety factors in supermarkets affect quality of supermarket service. Based on the results from previous studies, the fifth hypothesis is:

H5: Safety factors in supermarkets strongly affect the quality of supermarket services.

2.3. Methodology

Qualitative research was conducted in the form of discussions with 10 experts working in the field of supermarket business, 10 retail supermarket managers and 30 typical customers shopping at supermarkets. The qualitative research is to identify variables and scales of each variable in the research model. The main study variables of the model are drawn from empirical and qualitative research, as shown in Table 1.

Quantitative research was conducted through interviews with 2200 customers in Coopmart supermarkets in Ho Chi Minh City of Vietnam. The results of the questionnaire were collected for 2000 questionnaires. Co.opmart (also known as Co.op Mart, Co-opmart, Coopmart) is a retail supermarket system of Vietnam belongs to Ho Chi Minh City Trade Cooperative Union (Saigon Co.op). Co.opmart has the largest of number of supermarkets in Vietnam, locates mainly in Ho Chi Minh City with 35 out of 109 supermarkets.

Table 1.   Service quality attributes used in the research

Variables	Attributes	Literature
Diversity of goods and services	Supermarket goods are diverse in structure and type	Dabholkar et al.[5]; Nguyen[11]; development by author
	Goods in supermarkets meet the shopping needs	
	Supermarket supplies are always assured of quality	
	Price of goods is reasonable	
	Commodities at the supermarket have a clear label and origin	
	Goods at supermarkets are always updated and innovated	
	Comodities at the supermarket is largely different from the outside	
	Free gift wrapping service are meet well demand of customer	
	Promotion and after sales services of supermarkets are very good and attractive	
	Phone service of goods purchase and book is very convenient	
	Delivery service to customer address thoughtful and punctual	
	Barter service is available upon request of the customer as well	
Serviceability of staff	Employees costumes are neat and polited	Dabholkar et al.[5]; Nguyen[11]; development by author
	Employees are very friendly, fun in customer communication	
	Employees always are willing to help customers when in need	
	Employees enthusiastic response questions of customers	
	Employees have enough knowledge to advise customer on the best possible buy	
	Sales employees are very professional	
	Delivery employees are very professional	
Infrastructure and premises	Supermarkets are conveniently located for access and shopping	Dabholkar et al.[5]; Nguyen[11]; development by author
	The interior of the supermarket is spacious and airy	
	Entrance for customers inside the supermarket is comfortable	
	The supermarket parking lot is spacious and convenient for access	
	Children's entertainment and recreation area is attractive and diverse	
	Shelving systems and showcases suitable goods	
	Trolley system to meet the shopping needs	
	The bag storage system meets the shopping needs	
	Modern payment equipment allows quick payment	
	Sound, music and lighting systems are suitable in the supermarket	
Exhibited in the supermarket	Goods displayed inside the supermarket are reasonable and easy to identify	Dabholkar et al.[5]; Nguyen[11]; development by author
	Information on the goods clearly displayed	
	Price information is clearly listed	
	The exhibit facilities is reasonably designed and easy to find	
	Displayed goods are both scientific and artistic	
Safety in the supermarket	Means of fire prevention and fighting are enough and good	Dabholkar et al.[5]; Nguyen[11]; development by author
	Means and services for luggage storage are assured and safe	
	Supervisors always maintain a state of security	
	Navigation system is clear and easy to find	
Supermarket service quality	Supermarket is a regular shopping	Dabholkar et al.[5]; Nguyen[11]; development by author
	Performs major shopping at the supermarket	
	Supermarkets meet the shopping needs	
	Goods and services of supermarkets are quality	

Table 2. Construct reliability and validity of scale and analyze factors of variables in research model

Variable	Number of observation	Cronbach Alpha	Means	Sig.	Average Variance Extracted	KMO value
Diversity of goods and services	12	0,938	3,8045	0,001	35.84	.750
Serviceability of staff	7	0,866	3, 7505	0,002	41.60	.820
Infrastructure and premises	10	0,934	3,8529	0,000	38.72	.771
Exhibited in the supermarket	5	0,883	4,0256	0,001	40.32	.798
Safety in the supermarket	4	0,901	4,1655	0,000	39.27	.659
Supermarket service quality	4	0,825	3,7850	0,001	36.08	.731

Variables of the research model were likert scale from 1 to 5. Scale reliability and EFA factor analysis were presented in Table 2. Results of Cronbach's Alpha scale analyzes have high reliability, the correlation coefficients of the variables are equal to the allowable criterion (greater than 0.3) to satisfy the requirement for factor analysis. The EFA exploratory factor analysis using the Principal Component Analysis method and the Varimax rotation for grouping factors show that the components after eliminating the garbage variables are required to have factor load factor of observational variables greater than 0.5 (Joseph F.Hair et al.[8]). Bartlett's test for sig significance = 0.000; KMO = 0.834. The remaining 38 variables were extracted into 5 components with corresponding factors and Eigenvalues values greater than 1, and the extraction variance was greater than 50%. The results of the EFA analysis have shown that the study pattern remains unchanged, consisting of five independent and one dependent components used for linear multiple regression analysis.

3. Results and Discussion

3.1. Research Hypothesis Testing

Table 3. The coefficients of the regression model between service quality variables and factors affecting service quality

Dependent variable: Supermarket service quality	
Independence variable	Coefficient
Constant	5,987***
Diversity of goods and services	0,852***
Serviceability of staff	0,729***
Infrastructure and premises	0,663***
Exhibited in the supermarket	0,536***
Safety in the supermarket	0,427***
R2	0,724
R2 adjusted	0,709
F statistic	80,705***
Durbin-Watson statistic	2,34

A multiple linear regression analysis of the relationship between factors influencing the quality of the supermarket service was performed by the Enter method and the regression results are presented in Table 3. Thus, goods, staff capacity, display in supermarkets, infrastructure and premises, safety in supermarkets will affect the quality of supermarket services, so the hypotheses H1, H2, H3, H4, and H5 are acceptable.

3.2. Discussion

The study found that five factors affect the quality of the supermarket service. All factors strongly influence the quality of supermarket services. The results consistent with the hypothesis. However, the level of impact of each factor is different: the diversity of goods and services is the factor that has the highest impact on quality of service. Diversity of goods and services with regression coefficient of 0.852; the Serviceability of staff is a factor that positively affects the quality of the supermarket service with a regression coefficient of 0.729; Infrastructure and supermarket premises are factors that have a positive effect on the quality of supermarket services with a regression coefficient of 0.663; supermarket displaying has a positive effect on the quality of supermarket service with a regression coefficient of 0.536; Safety in supermarkets has a positive effect on the quality of supermarket services with a regression coefficient of 0.427. All five factors exert a strong influence on the quality of retail supermarket services, but the factor of particular importance and decisiveness is the Diversity of goods and services and Serviceability of staff.

The quality of the supermarket service is a multidimensional concept, involving the whole process of providing goods and services of the supermarket on the basis of the minimum business conditions, meeting the needs of sightseeing and shopping. of the customer. The quality of retail supermarket services according to actual research shows that it is an integrated concept, as a retailer providing both goods and services. As a result, the quality of the supermarket service represents *"a quality shopping destination"*, "*an ideal place for shopping*", "*space for selling goods and providing modern services*", is "*a place of quality shopping and a civilized business environment*".

The business of the supermarket requires the manager to pay attention to all the variables affect the quality, this is to ensure the diversity of goods and services provided, to

maintain the sales staff capable of serving and taking care of customers, maintaining the system of infrastructure and supermarkets premises well, ensuring the decoration and display of goods and ensuring the science and art, while ensuring the safety conditions for customers during the sightseeing and shopping. The strategic issue for owner of supermarket today is to optimize the business conditions inherently in terms of material and equipment, spatial planning that is reasonable and At the same time, developing a spectrum of genuine goods and services that address the needs of customers, creating an environment inside and outside the supermarket that is both safe and civilized and tested. Synchronized policies in the business process, meeting the needs of visiting and shopping of customers.

4. Limitations and Future Research Orientation

The quality of service in general and supermarket service in particular is a complex issue not only in the measurement and determination but also in the setting up, strengthening and enhancement to meet the expectations of customers. In the context of intense business and competition, supermarkets are not only to compete with each other to attract customers but also compete with individual retail chains that have existed in the past. This study was carried out only in Coopmart supermarkets in Ho Chi Minh City of Vietnam, surveying 2000 customers concentrated in supermarkets with relatively long trading time, so the research results are not fully available to replicate for all supermarkets. Research references are primarily studies in developed countries, although qualitative research has been conducted to determine the suitability of the quality assurance model in terms of economic, conditions and culture of Vietnam. The study did not use the structural model to simultaneously evaluate the combined effect of the variables in the supermarket service quality assessment model. These restrictions will be further studied in the future to provide more scientific and practical research results.

The quality of the supermarket service is a vital issue that determines the organization of the supermarket business in a quality way, ensuring that it attracts and maintains the ability to visit and purchase customers, create loyalty of the customer. The form of quality business organizations both in terms of goods and services provided as well as the physical conditions for supermarkets are always the basic motives that form the foundation of quality business. At the same time, all business and implementation efforts must be directed to customers, providing more value to customers, better customer care, contributing to improving business quality and competitiveness for each supermarket.

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