Service Quality effect on Customer Satisfaction and Word of Mouth

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Acknowledgments

This bachelor thesis has been accomplished for our bachelor’s degree in International Business Administration at Luleå University of Technology. It has been a lot of fun but also a challenging period the last couple of months to be able to complete the thesis. The authors have learned a lot about service quality, customer satisfaction, Word of Mouth, and the importance of these three concepts. We hope that the thesis will be interesting for the reader and specially give an input on the service quality effect on customer satisfaction and Word of Mouth for the participating people that are involved in the grocery retail industry.

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Abstract

This study has investigated the effect of service quality on customer satisfaction and Word of Mouth in the grocery retail industry. The purpose of the study was to measure the dimensions of service quality and see its effect on customer satisfaction and Word of Mouth. The research question was created to investigate the aforementioned effect, expectations vs performance, How does service quality affect customer satisfaction and Word of Mouth? In order to compare expectations and perceived performance the service quality model, SERVQUAL was used.

The thesis is a quantitative study and the data was collected through an online questionnaire where 106 respondents participated. The data was analyzed, both through measuring the gap score between expectations and perceived performance and also regressions were made to test the relationship of the variables.

The findings of this study shows that service quality does affect both customer satisfaction and Word of Mouth. However the effect of service quality showed to affect customer satisfaction and Word of Mouth differently, where customer satisfaction had a higher explanatory power than Word of Mouth. Furthermore, the expectations exceeded the perceived performance of service quality in all the dimensions. This created a negative overall comparison gap between the expectations and performance. The comparison gap was fairly low and according to the theory it showed both customer satisfaction and positive Word of Mouth in the grocery retail industry in Luleå. The arithmetic mean which was collected from the questionnaire showed a high value of customer satisfaction and Word of Mouth even though a negative overall gap. However, it could be seen that only a few of the SERVQUAL dimensions could show a significant relationship, two with customer satisfaction and one Word of Mouth.

Keywords: Service quality, Customer satisfaction, Word of Mouth, SERVQUAL, Disconfirmation theory, Grocery retail industry
Sammanfattning

Denna studie har undersökt tjänstekvalitetens effekt på kundnöjdhet och Word of Mouth inom dagligvaruhandeln. Syftet med studien var att mäta dimensionerna av tjänstekvalitet och se dess påverkan på kundnöjdhet och Word of Mouth. Forskningsfrågan skapades för att undersöka den ovan nämnda effekten, förväntningar mot upplevd prestation, Hur påverkar tjänstekvaliteten kundnöjdhet och Word of Mouth? För att jämföra förväntningar och upplevd prestation användes tjänstekvalitetens modellen SERVQUAL.

Uppsatsen är en kvantitativ studie och datan samlades in genom ett online-enkät där 106 respondenter deltog. Datan analyserades, både genom att mäta gapet mellan förväntningar och upplevd prestation samt även genom regressioner som skapades för att testa sambandet mellan variblerna.


Nyckelord: Tjänstekvalitet, Kundnöjdhet, Word of Mouth, SERVQUAL, Disconfirmation theory, dagligvaruhandel
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1. Introduction

This chapter covers the subjects chosen for this thesis. Starting with a background about the concept of customer satisfaction, Word of Mouth and also service quality. The background does also include the Swedish grocery retail industry and the importance of customer satisfaction. The chapter also includes a problem discussion followed by research purpose and the chapter finishes with an overview of the entire thesis.

1.1 Background

The concept of customer satisfaction is highly valued by businesses and has become one of the central strategies for marketers to stay competitive in a market situation (Rumiyati, 2021). Ever since customer satisfaction was introduced and identified to bring companies brand value, a great amount of studies has been conducted on the subject.

Research on customer satisfaction has shown that a satisfied customer is helping businesses with their marketing by influencing and affecting attitudes, repeat purchase behavior, and increased brand loyalty after experiencing satisfaction of either a service or a product (Hellier et al., 2003, Churchill, JR & Surprenant, 1982,). Hallencreutz & Parmler (2021) describes that a high level of customer satisfaction leads to an improved company image, protects already gained market shares and that a satisfied customer is less inclined to complain. Thus, it is crucial to understand the drivers of customer satisfaction and how it affects businesses (Hallencreutz & Parmler, 2021).

Customer satisfaction can also be viewed from the perspective of how a business is viewed by the customers. This is because customer satisfaction is more dependent on an overall evaluation than a single transaction (Anderson et al., 1997). Studies have shown that customers who have a stronger customer satisfaction also feel a greater loyalty to a brand and affect the Word of Mouth (WOM) to be positive (Melastri & Giantari, 2019).

WOM is considered to be one of the oldest market communications (Pourkiani et al., 2014). It arises when people give comments about their experience of an event regarding a purchase or receipt of service and therefore can increase or decrease the expectations to whom they are expressing their satisfaction (Pourkiani et al., 2014). Furthermore, WOM affects the company's
reputation, either getting more or less people drawn to support the company's service or products (Chaniotakis & Lymeropoulos, 2009). Positive WOM creates an effect which makes customers willing to share a message about their satisfaction or attitudes from a purchase or visit. This later on leads to new customers making more informed choices before a purchase. Negative WOM has the opposite effect, making people avoid supporting businesses that they have heard about dissatisfied customers, especially if it happens repeatedly (Chaniotakis & Lymeropoulos, 2009).

According to Barnsal & Voyer (2000), WOM can not have the same context in organizations, markets or products. Barnsal & Voyer (2000) proved that WOM is higher and greater when product purchase is highly associated with perceived risk for the consumer. Both customer satisfaction and WOM can be affected by the service received, also called the service quality (Pourkiani et al., 2014).

Service quality has been studied throughout the years to understand the depending factors in service related industries. It can be seen as a comprehensive customer evaluation of a special service and to what extent it meets their expectations and provides satisfaction for the customer (Pakurár et al., 2019). Service quality is a fundamental factor for service related organizations success and survival especially in environments of intense competition (Pourkiani et al., 2014). Since the market is a customer-oriented economy where the customer has the right to choose, all organizations strive to give high service quality towards customers to increase customer satisfaction (Pourkiani et al., 2014). A perceived quality of service has also been shown that it could determine in which direction WOM is directed and later on influences future behavior and purchase (Kouthouris & Alexandris, 2007).

The concept of service quality refers to the gap between expectations and perceived performance, the most commonly used model to measure this is the SERVQUAL model (Parasuraman et al., 1988). The SERVQUAL model developed by Parasuraman et al., (1988) is based on dimensions that can measure service quality. The model is measuring both the expectations and the perceived performance with the same dimensions and with this creates a gap between the two variables which is later what measures the customer's perceived service quality. This is to identify the dimensions that reflect used service received by customers that evaluate the quality of the perceived service (Parasuraman et al., 1988).
According to Panteloukas et al., (2012), the Swedish grocery retail industry has historically been characterized by low competitiveness and low customer satisfaction. However, there has been a shift in the industry. According to Anselmsson et al., (2006), the competition in the grocery retail industry has become more intense. This is because of an increasing conceptualization and internationalization in the industry. Anselmsson et al., (2006) is also stating that conceptualization is starting to become an increasingly central role within the retail industry. This means that retailers are becoming more centralized. Therefore, the grocery retail stores are designed and formed likewise to create a standardized store concept. The shift in the industry has also created habits among customers in aspects like assortment, product quality and minimizing the differences for customers every time they visit a store. One of the outcomes from the conceptualization is that the perceived performance does not differ from time to time (Anselmsson et al.,2006,).

An increasing competitiveness in the industry from discount stores, foreign grocery stores and convenience stores has made a successful customer satisfaction increasingly more important for businesses in the grocery retail industry (Panteloukas et al., 2012). Therefore, to create a high service quality image for the company it is necessary to find out the dimensions that need improvement for perceptions and expectations in the service quality.

1.2 Problem discussion

Service quality has developed into one of the most crucial parts for businesses in the service industry as customers have created higher demands for service (Lovelock & Wirtz, 2007). The expectations customers have on service in the grocery stores are later on compared to the perceived performance received (Parasuraman et al., 1988). Therefore the service quality and a consistent service quality is an important factor for the industry. Service quality has been shown to affect the perceived customer satisfaction (Pourkiani et al., 2014).

Furthermore, previous research has shown a correlation between customer satisfaction and repeated buying habits as well as a positive WOM. This correlation between events shows the importance of a successful customer satisfaction and how customer satisfaction can positively affect a business (Dubrovski, 2001), which also shows the importance of service quality.
According to Dubrovski (2001), successful customer satisfaction is the most efficient form of marketing. A satisfied customer is going to tell others and influence/create potential customers, because of the fast rumor spreading, also called WOM effect that is presented in the background (Dubrovski, 2021). With satisfied customers, the effect of WOM creates a positive marketing effect on the brand or product that the brand seeks and wants to accomplish. A satisfied customer that tells others about their satisfaction is an important part for a company's marketing and affects other people's expectations to be even higher than previous performance or the first occasion. This reduces the cost of attracting new customers and creates one of the cheapest and most efficient forms of marketing and therefore makes it highly valued by businesses (Andrew Petersen & Leone, 2007).

As stated in the background, the grocery retail industry in Sweden has historically been characterized with a few but big brands with low customer satisfaction. Anselmsson et al., (2006) states that the competitiveness has increased in the industry and therefore the importance of customer satisfaction has increased. The central role of conceptualization is now more crucial for the retail industry which forces the different brands to build a more standardized store concept (Anselmsson et al., 2006). This takes the competitiveness to a higher level which the consumers detect by getting higher expectations and wants to experience higher customer satisfaction than before the conceptualization (Anselmsson et al., 2006). The performance has therefore a more considerable role because of the industry similarities of standardized concepts from different brands (Panteloukas et al., 2012). The outcomes of the similarities affect if people still feel customer satisfaction due to higher expectations and possibilities to choose similar opportunities for the same purpose.

Customers nowadays have opportunities and access to service where there is no presence of direct service employees. The link between consumption, retail industry change and history has been reflected in studies on changes in the retail environments that affect the result of service quality and hence customer satisfaction (Phillips et al., 2005). The transition from physical and active service to self-service for customers with reason to save staff costs has led to customers not being able to receive the same level of value exchange of awareness, knowledge and also ensuring return for the survival of the company (Nilsson, 2021).
Researchers point out that service quality usually is evaluated by technical and functional quality but that customers don’t get much of the technical aspects. This means that functional aspects still are the main aspect to form the expectations and perception about service quality (Phillips et al., 2005).

Since the conceptualization of the grocery retail industry has introduced habits for consumers and included more self service in the standardized store concept instead of functional service (Panteloukas et al., 2012), it has led to retailers applying different types of self service with the same goal as personal service with other methods (Nilsson, 2021). Lepkowska-White (2013) points out that the ability to convey WOM is less strong if you experience self-service instead of personal service.

1.3 Overall Purpose and research question

However, there is limited research conducted about the service quality dimensions and its effect on customer satisfaction and WOM at the same moment. Furthermore, a mature market such as the Swedish grocery retail industry (Dahlqvist et al., 2004), is interesting to research the service quality and its effect on customer satisfaction and WOM. Therefore the purpose with this study is to investigate how service quality affects customer satisfaction and WOM in the Swedish grocery retail industry.

The research paper is investigating the relationship between expectations and performance of service quality and how this affects customer satisfactions and WOM. Its purpose is to make generalizations that are based on the process of expectations and performance that leads or affects customer satisfaction and WOM.

*Research question: Expectations vs performance - how does service quality affect customer satisfaction and Word of Mouth.*

1.4 Delimitations

The study is limited to grocery stores in Luleå, Sweden. This geographic segmentation will be done due to the similar attitude and values that people living close to each other tend to have
(Geographic Segmentation: Definition and Examples | Directive, n.d.). This segmentation is also done with the grocery stores having a similar product line when located in the same region.

1.5 Overview of entire thesis

Chapter one consists of background and the problem discussion where the area of research was introduced. The literature review starts with describing the relationship between service quality, customer satisfaction and WOM and later covers these areas more thoroughly. The disconfirmation theory is also explained and presented. The chapter finishes with conceptual framework and introduces the hypothesis for the thesis. Chapter 3 is the methodology chapter and covers the chosen methods, how the research is approached, what research strategies used and how the data is collected and later on analyzed. The 4th chapter presents the empirical data that later on will be analyzed in chapter 5. Lastly, chapter 6 includes findings and conclusions.

![Chapter disposition](image_url)

Figure 1.1: Thesis disposition
2. Literature review

This chapter covers the literature review of the study, the chapter starts with the relationship between service quality, customer satisfaction and Word of Mouth. Then later on covers the subject more thoroughly, the SERVQUAL model is also discussed. The disconfirmation theory is presented and the parts of the theory is described as well as expected performance and perceived performance is discussed. Lastly the hypothesis of the thesis is stated.

2.1 Relationship between Service quality - Customer Satisfaction - Word of Mouth

Studies have shown the importance of customers' WOM and how it affects and creates attitudes as well as how it affects purchase-decision making. Previous research has found that customer satisfaction leads to greater desire to recommend a purchase or a visit, this means that a WOM is affected greatly by what grade of customer satisfaction a customer has perceived (Chaniotakis & Lymperopoulos, 2009).

The relationship between customer satisfaction and service quality has been studied extensively and shown that service quality could be explained as a precursor of customer satisfaction (Cronin & Taylor, 1992). Furthermore, service quality and customer satisfaction is strongly correlated and at first glance can be viewed as quite similar. Nevertheless, customer satisfaction is created through feelings of customer experiences when, in this study's case, attending a grocery store. However, service quality is more dependent on external factors. The main purpose of service quality is to identify the dimension of service (Wilson et al., 2016).

Studies that have researched on the relationship between service quality and WOM have found that a customer who perceives a high performance of service quality is more likely to contribute to a positive WOM (Pourkiani et al., 2014).

Furthermore, a great amount of studies have been conducted of the relationship between WOM, customer satisfaction and service quality, where service quality can be viewed as the variable of the customers overall evaluation of the service delivery process (Hellier et al., 2003). As stated in chapter 1, there is limited research conducted about how the service quality dimensions and its effect on customer satisfaction and WOM, at the same moment. The disconfirmation paradigm is
commonly used when studying the comparison between expectations and performance, since WOM is the engine of expectations and service quality is what creates the perceived performance. Pourkiani et al., (2014) states that, improving the service quality attracts new customers and makes it possible for businesses to keep their existing customers. A high level of service improves the number of purchases and increases the positive WOM, which will create new customers, see figure 2 below. However a gap in the literature can be found in the field of how each SERVQUAL dimension affects customer satisfaction and WOM, especially in a mature industry such as the grocery retail industry.

![Service Quality Dimensions](image)

**Figure 2.1:** Service quality - Customer satisfaction - Customer Word of Mouth (Pourkiani et al., 2014)

### 2.2 Service quality

Oliver & Rust (1994) said that service quality is the difference between customers' expectations and performance that is perceived from a moment or event. They also describe it as the amount of the service that fulfills the expectations from the customer or how much that is exceeded. It is also identified that customers perceive service quality in different dimensions, one of them is the expected service level which the customers hope to receive from the service provider. There are several explanations of the phenomenon of service quality and there are different definitions from authors. Kouthouris & Alexandris (2007) points out that comparison is founded when a customer feels what a service provider should offer their customers, i.e., the expectations that customers have. The other dimension that is lower is called adequate service. This describes the line of service that a customer is going to accept (Panteloukas et al., 2012). A conclusion from
these last aspects is that customers are very sensitive, especially if they do not perceive what they expected (Panteloukas et al., 2012).

Service quality is defined as the perceived service that companies or individuals deliver to meet customers expectations. If they don't, the concept of service quality can be seen as inferior or an ordinary concept (Antony et al., 2004). This is also a reason for those involved to offer good quality to customers so the concept is influenced by both service process and service outcome. The result of this has led to an important factor for companies, especially in the grocery retailing industry and more or less has been a requirement to stay competitive in the industry. Thus, it means that the customer is present during the process of service quality, which becomes a measure of how expectations are achieved (Antony et al., 2004).

The relation between service quality and customer satisfaction has attracted much attention from the academic perspective. Kouthouris & Alexandris (2007) argues that both concepts are very distinct but that they in fact are close constructions that affect market shares and economic goals for organizations. Other research shows that customer satisfaction and service quality are indeed different, customer satisfaction reflects the emotions when the person conducts several meetings for example expectations. Service quality is more abstract and ability to be influenced by external factors in the shape of WOM for example. This difference makes it necessary for service providers to view both constructions separately (Kouthouris & Alexandris, 2007).

As a result, both developers and researchers for companies are looking for solutions and acquiring components of service quality that make it possible to meet customer satisfaction. Researchers take help of models to identify and learn about the components and develop them (Buttle, 1996). Conceptual models are simply explained to describe reality and one of them is the SERVQUAL model (Parasuraman et al., 1988).

2.2.1 The SERVQUAL model
The purpose with the SERVQUAL model is to measure the difference between the expectations from customers and the received service. The model shows five different dimensions which have an ability to cause uncertainty and shortcomings in service quality, which in this case would lead to dissatisfied customers. The measured difference between expectations and performance is
called the gap (Priyanka & Sarang, 2018) and according to Parasuraman et al., (1988) is what creates service quality. The uncertainty about how reliable the model is to show the truth about expectations and performance is discussed. Buttle (1996) argued that there is too little and weak evidence for customers to understand service quality associated with expectations and performance. It is also known that the model does not take the statistical theories into account that is necessary instead of a disconfirmation paradigm that Buttle (1996) indicates. The dimensions that are the main focus for the model are too interrelated which affect the responses from customers and creates an uncertainty when expectations and performance have different definitions (Pourkiani et al., 2014). Buttle (1996) is supporting the model as a decent way to understand customers expectations and that SERVQUAL is reliable when it is targeting the grocery store industry which this study does in conjunction with expectations and performance. In addition, the model is dominant for studies about service quality and especially in comparison between two factors and in this case expectations and performance (Parasuraman et al., 1988).

The SERVQUAL dimensions are the measuring variables for service quality that figure 2 above is showing. The service quality dimension has been defined as an attitude of the consumer if it relates to a comparison of actual performance and expectations of service. This model is using five categories with the help of factor analysis of the dimensions (Priyanka & Sarang, 2018)

1. Tangibles factors (facilities, equipment and appearance of staff)
2. Trust (ability to perform the promised service dependably and accurately)
3. Accountability (willingness to help customers and provide prompt service)
4. Confidence (knowledge and courtesy of staff and their ability to convey trust and confidence)
5. Empathy (caring, individualized attention the organization provides to its customers)

The model also uses service delivery processes related to the outcomes of process aspects of service (Murray, 1991). The reason that organizations are evaluating the service sector for today's environment is that it has reached another level of service quality, with the increasing necessity to measure non-financial performance to increase their competitiveness (Hill & Mccrory, 2010). Service quality is an antecedent for customer satisfaction which Cronin & Taylor (1992) is
supporting in their research to prove the relationship between service quality, customer satisfaction and WOM.

2.3 Disconfirmation theory

The disconfirmation theory, or as it sometimes is referred to as, expectation confirmation theory, is based on the comparison of the expected performance and the perceived performance. The only difference between the two names is that the disconfirmation theory uses the disconfirmation as a paradigm as well and the expectation is only a comparison between expectation and performance which leads to either satisfaction or dissatisfaction. According to Szymanski and Henard (2001) the disconfirmation paradigm is the best predictor for measuring customer satisfaction, therefore the disconfirmation theory is more suitable than the expectation confirmation model when analyzing customer satisfaction.

The disconfirmation theory states that, if the expected performance is greater than the perceived performance it leads to a negative disconfirmation thus also dissatisfaction (Nguyn et al., 2021). Vice versa if the expected performance is lower than the perceived performance. This leads to a positive confirmation and thus creates a satisfaction (Sinha et al., 2020). If the outcome of expected performance is greater than perceived performance, deficiencies will arise and it tends to be perceived as excessive. The perceived performance is also depending on the limits and how satisfied they are in relation to the expected performance (Modest, 2010). As stated before, the disconfirmation theory and the disconfirmation paradigm is one of the most commonly used methods when examining customer satisfaction (Sinha et al., 2020).

Similar to the disconfirmation theory is the aforementioned model SERVQUAL, similar to each other is the first step of the theory and the SERVQUAL, the comparison between expectations and the perceived performance. Therefore, the SERVQUAL model can be viewed as the beginning of the disconfirmation theory and therefore also a suitable tool when wanting to test the relationship this study is seeking with the help of the disconfirmation theory. However, the SERVQUAL model was made to test service quality and its dimensions and the disconfirmation theory is most commonly used for measuring customer satisfaction/dissatisfaction nevertheless is the two models/theories similar and uses the comparison gap for evaluating the outcome.
2.3.1 Expected Performance

The expected performance in the grocery retail context is what the customer believes they should receive in a service related situation. The expected performance value is based on the distribution function and used to appreciate both overall and potential capability of a process. It is about the overall distribution that fits into the information and the consistent parts that expect to be outside your own limits (Parasuraman et al., 1988). Therefore, it is important for grocery stores to understand customers expectations since they are doing their purchase by critically thinking of their requirements. Consumers' expectations of service quality are now increasing as businesses become more conceptualized and people become more critical of the quality they experience.

2.3.2 Perceived Performance

The perceived performance is created via what level of service the customers received and uses the information that they had in the expected performance to collect the actual number of the parts that are deviating outside of your own limits (Parasuraman et al., 1988). The effect of perceived performance must be assessed for customer comparison standards since there is a certificate that higher comparison standards are associated with lower perceived performance (Sursala et al., 2003). So, modeling different perceived performance is to explain the similarity or the difference between people's selection system orientation. For example, a negative orientation difference variable indicates that larger proportions of orientation differences are related to larger perceived performance (Parasuraman et al., 1988).
2.4 Customer satisfaction

As presented in the background, there has been a great amount of studies regarding customer satisfaction, and because of this there also exists different approaches and descriptions of the term. Klaus & Maklan, (2013) describes experience as the key determinant for customer satisfaction whilst Hellier et al., (2003) describes customer satisfaction as the degree of total pleasure or contentment perceived by the customers, this related to the customers desires, expectations and needs. Isac et al., (2011) states that customer satisfaction is the final goal of a businesses marketing, and also as a summary of the term marketing. Otto et al., (2020) also states that customer satisfaction is essential for an economy, a healthy economy is characterized with businesses that have a high level of customer satisfaction.

According to Yi (1989) there exist two definitions of customer satisfaction, either as an outcome or as a process. Yi (1989) states that the first definition is the outcome based on the consumption experience, how the buyer is affected and if the purchase is adequately or adequately compared to the sacrifices done regarding the purchase.

The other definition is made through an evaluation of the consumption experience and is at least as good as it one thought it would be. Based on prior expectancies and on the evaluation after consumption, the perceived performance (Yi, 1989). The second definition is the most commonly used in research where the disconfirmation paradigm is used (Priyanka & Sarang, 2018).

Yi’s two definitions suggest that the comparisons process in the concept of creating customer satisfaction, the process approach and the outcome-oriented approach is seen as different, where the primary approach focuses on the entire consumption period including expectations and what performance a person received, and furthermore how this leads to satisfaction/dissatisfaction (Yi, 1989). Studies on customer satisfaction has also shown to have a correlation with positive WOM (Dubrovski, 2001).
2.5 Word of Mouth

The WOM concept is the communication between a receiver and a communication where the intention is to distribute information as non commercial concerning a product, brand or service (Gelb & Johnson, 1995). WOM communication is measurable by republishing or retelling information, and it works the same way online as it does through oral communication. The ability to republish or retell something that a person experiences gives the opportunity to share the message in their own opinion with personal networks (Huang et al., 2019). As mentioned in the background, WOM influences people's purchase decisions and interact and commit to a business by recommendations where the phenomenon also has been proved to be a quicker rate and the most effective source than businesses could influence on its own with help of online communities (Lepkowska-White, 2013,).

WOM mainly appears in marketing journals where it is about to find an interplay between different dimensions. The communication between family, friends and strangers as information source passes to consumer information which is the phenomenon of WOM (Gelb & Johnson, 1995). The conclusion of WOM consists of two groups, antecedent and consequences. The consequences of WOM communication takes place in the behavior of those who receive it, their attitudes, beliefs, awareness and actual decisions. The antecedents include the factors and influence the level of WOM activity of provider, service or product (Gelb & Johnson, 1995). WOM can also be referred as electronic WOM and then focuses on the WOM occurring on the internet (Verma & Yadav, 2020).

2.5.1 Electronic Word of Mouth

Social media and the internet has given consumers the ability to write and spread recommendations and opinions in a more comprehensive manner and at a much faster pace (Verma & Yadav, 2020). Electronic Word of Mouth can be described as the development of WOM with the impact of the internet. Because of the development of the internet and its importance in today's society has made eWOM a well researched field the last decades (Rosario et al., 2020).

Even since social media was introduced to daily life, it has resulted into a great growth of spread, production and using eWOM (Karacaoglu, 2021). The communication that mentions in eWOM can be contact between producers and consumers and of course between consumers themself.
This is received in written form and is considered as recommendations that uncovers consumer experiences and affects the public because of the large access (Karacaoglu, 2021). Since eWOM includes publications on social media and other websites, the information stays available which creates constant access for information where people can build their expectations which are collected from several different sources (Karacaoglu, 2021). It makes it harder for industries with low involvement to meet the expectations that are constantly available for consumers.

2.6 Conceptual Framework

The conceptual framework for this study can be seen in figure 2.3. It illustrates the service quality and its dimensions and its relationship with customer satisfaction and WOM. The conceptual framework demonstrates how this study's research is built and designed, service quality and its dimensions and if these affect customer satisfaction and/or WOM. This has been created to support the research question, and builds on the literature review and previous research on the subject.

![Conceptual Framework Diagram]

Figure 2.3: Conceptual framework

2.7 Hypothesis

The SERVQUAL model makes it possible to measure the gap between expectations and perceived performance, this also helps to relate the study to the disconfirmation theory.
To answer the research question, the following hypothesis was created with the help of the SERVQUAL model and the disconfirmation theory.

To test Parasuraman et al., (1988) SERVQUAL model towards customer satisfaction and WOM, following hypotheses was made:

**H1:** The smaller the comparison gap between expectations and perceived performance, the higher level of customer satisfaction

**H2:** The smaller the comparison gap between expectations and perceived performance, the higher chances of positive Word of Mouth

To test the relationship between all the SERVQUAL dimensions effect on customer satisfaction and WOM following hypotheses was also conducted:

**H3:** There is a relationship between customer satisfaction and the dimensions of service quality

**H4:** There is a relationship between Word of Mouth and the dimensions of service quality
3. Methodology

This chapter includes the methods chosen for this study, how the research is designed, approached, what strategies were used as well as how the data were collected and then later analyzed.

3.1 Research design

The way to determine the research design depends on the authors, if the best way to reach the purpose is to express connections between variables, understand a behavior from a population or to generalize a result (Bell & Bryman, 2017). A descriptive research design was used for this research paper to find relevant information necessary to the report. The descriptive research design has the ability to describe different types of functions or do comparisons of variables and make forecasts for a variety of possible outcomes (Palic´ et al., 2015). The descriptive design helps this study to find out the functions of service quality that affect customer satisfaction and WOM. The explanation for the decision for descriptive design is that we want to generalize the result of these functions that affect customer satisfaction. This makes the descriptive design the most appropriate in relation to the purpose of the study.

3.2 Research approach

The used approach is based on an already known theoretical background that is going to be tested on the empirical data collected, it is therefore a deductive research paper. The chosen theories that is domentaing in this approach helps to lift the factors for expectations and performance that affect the customer satisfaction and WOM associated with the grocery retail industry.

With the deductive research approach hypotheses are made with help of the theory (Bell & Bryman, 2017). This study looks at the hypothetical relationship between premise and conclusion, therefore the deductive research approach was the most suitable for this paper.

To support the theoretical background and the deductive research approach, a quantitative approach was chosen in order to get as complete and fair evaluation as possible. The quantitative
research approach was chosen in order to find the most relevant dimensions when examining a comprehensive concept such as customer satisfaction and see how expectation and performance interact to affect customer satisfaction. The quantitative approach contributes with answers from a relatively large number of customers which keep the survey less personal in the service quality dimensions.

3.3 Research strategy

To involve a large number of relevant respondents for the research paper, a survey strategy was used. According to (Grindal et al., 2005,), this strategy fits into a questionnaire that focuses on contemporary events and directs questions like how many, or how much which fits this study's purpose.

The purpose with a survey strategy for this study is because it answers the questions of who, what, where, how much. The survey strategy is a helping tool to receive information about the chosen population, which is a sample of the grocery store population in Luleå in this case.

3.4 Data collection

When collecting data for a study there exists several ways to retrieve the information needed. The most used strategies are interviews, content analysis, focus groups, observations and surveys (Bell & Bryman, 2017). Data collection methods such as focus groups and interviews are more commonly used in qualitative research when wanting to find attitudes and values towards a specific subject, getting a wider knowledge and understanding of a specific subject (Bell & Bryman, 2017). For this study, when analyzing how service quality affects customer satisfaction and WOM with the help of statistical data that will be analyzed and studied to see what effects it has on the grocery stores in Luleå, surveys and more specific questionnaires was the most suitable option.

There exist different ways of approaching respondents for a survey data, the contact method is dependent on what channel one wants to contact the chosen population. Mail-in surveys, kiosk surveys, telephone, and online surveys are four different survey methods with different strengths and weaknesses. This study has used online surveys and more specifically uses Facebook to
gather the data, the main advantage with Facebook surveys is the ease for the respondents to be a part of the study, the accessibility is high with online surveys (Bell & Bryman, 2017). To collect the data on Facebook for information on grocery stores in Luleå the questionnaire was posted in various Facebook groups. The used Facebook groups were groups which included the population of sub communities in Luleå. The Facebook groups created for different geographical places in Luleå were the ones which were targeted for this study. The distance in the city between the geographical places for the Facebook groups ensured that there was greater variation among service quality in the stores that respondents visited. This was used to gather relevant respondents for this study as well as include a big geographical part of Luleå.

Due to these factors, the answers are going to be based on primary data that was interpreted. The situation is more suitable for the thesis since this is the first study in this subject of the region and there are not any opportunities to find secondary data.

In order to gather the data needed to know how customer satisfaction and WOM was affected by service quality the decision of using self-administered questionnaires was made.

The biggest advantage with self-administered questionnaires is the cost-saving benefit. The questionnaires are easy to distribute to the respondents and it does not need any supervision from the researcher. Furthermore, self-administered questionnaires give the respondents the option to answer the questionnaire when they see fit (Schindler & Cooper, 2002).

One weakness with self-administration questionnaires is the nonresponse error, or only partially answered questionnaires (Schindler & Cooper, 2002). To reduce the nonresponse error, questions which were easy to read and understand were used. Since the questionnaire was answered by a swedish population, were the statements translated to swedish to reduce the risk of people not understanding.

3.4.1 Questionnaire design

The design for the questionnaire was designed to support the disconfirmation theory and with help of the SERVQUAL model dimensions. The comparison between expectations and performance and how and if this leads to customer satisfaction and WOM in the Swedish grocery
retail industry. Therefore the questionnaire and the statements are split into two parts, firstly the expectations section and later the perceived performance section.

The questionnaire starts with demographics such as gender, age, level of education and also monthly costs in grocery stores. Monthly costs are measured in SEK, this to know who was answering the questionnaire.

The second part of the questionnaire is statements that are designed to measure what the customers expect when entering the grocery store, this was to determine what the respondents rank of how much they expect of the grocery stores related to the specific statements. This helps with information towards the variable of expectations.

The third part of the questionnaire is statements regarding the perceived performance. These statements are answered by thinking of what performance they actually experience when visiting the grocery store, how is the experience in the grocery store, these are the same statements but the respondent was asked to answer them with a different mindset.

The last part of the questionnaire is statements of customer satisfaction and WOM, these were conducted with the help of previous research. In Chaniotakis & Lymeropoulos (2009) research about service qualities effect on satisfaction and WOM they used two statements to find the level of customer satisfaction and WOM. For measuring satisfaction they used the statement “Level of overall satisfaction” which was developed for this study into “What is your level of satisfaction in the grocery store you usually visit”. To measure WOM they used the statement “Intention to recommend to friends and relatives” this statement was developed into “Intention to recommend the grocery store you usually visit to friends and family”.

With these two parts a comparison can be done of how the expected performance and the perceived performance correlates and with the final part of the questionnaire of the respondents perceived customer satisfaction. This provides us with all the data needed to test the disconfirmation theory, both give us the possibility to do a comparison between expectations and performance but also see if this matches with the respondents already perceived customer satisfaction.
The Likert scale is the most frequently used measurement tool when it comes to the summed rating scale. Summed rating scales is used when wanting to catch either a favorable or unfavorable attitude towards the statement. The expectation and performance was measured with Likert scale with the help of the SERVQUAL dimensions with 7 being the number for the highest level expectations and performance and 1 the lowest. Service quality is measured with the gap of expectations vs performance therefore as stated above the statements designed to both be answered with expectations in mind as well as the performance, two separate answers. This created the possibility to measure the gap between P and E. According to the disconfirmation theory, when performance (P) is greater than expectations (E) the customer would be satisfied and therefore contribute towards a positive WOM.

The Likert scale is used when measuring attitudes towards statements and in the questionnaire is the 1-7 Likert scale, where 1 is “I strongly disagree” and 7 is “I strongly agree”.

The questionnaire as said was designed with the help of the SERVQUAL dimensions, therefore questions related to the dimension have been gathered from previous research. Table 3.1 shows the construction and concepts in the questionnaire and also the sources that increase the reliability of the questionnaire. The questionnaire can be found in appendix 1 in english and appendix 2 in swedish.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Construction</th>
<th>Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles (TN)</td>
<td>7-point Likert scale, (1) Strongly Disagree (7) Strongly Agree</td>
<td>TN1: The store has modern-looking equipment</td>
<td>Dabholkar, Thorpe &amp; Rentz, 1996</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TN2: The store has clean and convenient physical facilities</td>
<td>Das, Kumar &amp; Saha, 2010</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TN3: The physical facilities of the store are visually appealing</td>
<td>Brady &amp; Cronin, 2001</td>
</tr>
<tr>
<td>Trust (TR)</td>
<td>TR1: The store has merchandise available when the customers want it</td>
<td>Dabholkar, Thorpe &amp; Rentz, 1996</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TR2: The store provides its services at the time it promises to do so</td>
<td>Parasuraman, Zeithaml &amp; Berry, 1988</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TR3: Customers can count on the employees taking actions to address their needs</td>
<td>Brady &amp; Cronin, 2001</td>
<td></td>
</tr>
<tr>
<td>Accountability (AT)</td>
<td>AT1: Employees of the store are able to handle customer complaints directly and immediately</td>
<td>Dabholkar, Thorpe &amp; Rentz, 1996</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AT2: It is okay if the employees are too busy to respond to customer requests promptly</td>
<td>Parasuraman, Zeithaml &amp; Berry, 1988</td>
<td></td>
</tr>
<tr>
<td></td>
<td>AT3: Employees of the store respond quickly to customer needs</td>
<td>Brady &amp; Cronin, 2001</td>
<td></td>
</tr>
<tr>
<td>Confidence (CO)</td>
<td>CO1: Customers are able to trust employees of the store</td>
<td>Parasuraman, Zeithaml &amp; Berry, 1988</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CO2: Customers feel safe in their transactions with the store</td>
<td>Parasuraman, Zeithaml &amp; Berry, 1988</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CO3: Employees in the store are consistently polite with customers</td>
<td>Das, Kumar &amp; Saha, 2010</td>
<td></td>
</tr>
<tr>
<td>Empathy (EM)</td>
<td>EM1: The behavior of the employees indicates that they understand customer needs</td>
<td>Brady &amp; Cronin, 2001</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EM2: It is realistic to expect employees to know what the needs of their customers are</td>
<td>Parasuraman, Zeithaml &amp; Berry, 1988</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EM3: Employees of the store give customers personal attention</td>
<td>Parasuraman, Zeithaml &amp; Berry, 1988</td>
<td></td>
</tr>
</tbody>
</table>
3.5 Sample selection

The representative for the questionnaire was a sample of the population in Luleå due to lack of time and other resource savings. Since the choice is made to delimit this study into the expectations vs performance effect on customer satisfaction in Luleå, Therefore the most suitable respondents can be found in the city. Luleå is located in north Sweden with a population just above 78 000 (Statistikmyndigheten, 2020).

The samples were chosen through a purposive sampling, this was used to get access for a particular number of people that fits the profile for the study and how they will establish the sample population. It is a non-probability sampling where our own judgment chooses a subset of the population to participate in the survey (Schindler & Cooper, 2002). Purposive sampling has the ability to extract a large amount of information from the data that is collected which creates greater opportunities for the analysis (Schindler & Cooper, 2002). The method for the purposive sampling was to send out the questionnaire through Facebook groups that included the population in Luleå, and thus none of the respondents had to be rejected from the study. The biggest benefit of purposive sampling is how time and cost effective it is compared to other commonly used methods (Schindler & Cooper, 2002).

Additionally, in this study it helped to gather the opinions of a vast number of different areas as well as a variety of ages and backgrounds in Luleå which were the goal.

Number of respondents chosen in the study was in the range of 100-200. The minimum of 100 respondents was to reduce the risk of the type 2 error occurring when analyzing the statistical data (Schindler & Cooper, 2002).

Type 2 error occurs when the false null hypothesis is not rejected incorrectly, because it lacks the statistical ability to prove to produce evidence for the hypothesis (Schindler & Cooper, 2002). It is possible to minimize a type 2 error by increasing the power of the test which is most simple to do by increasing the sample size. I.e., it helps to detect differences for the hypothesis (Bell &
Bryman, 2017). 100 respondents as minimum was enough to minimize inaccuracies for the hypothesis and thereby the result.

3.6 Data analysis

To be able to analyze the data retrieved from the questionnaire, help from statistical tools such as SPSS and excel was used. SPSS (Statistical Package for the Social Sciences) is a software made for analyzing quantitative data. Regression analysis shows the effect of the independent variable related to the dependent variable (Bell & Bryman, 2017).

The first analysis of data was comparing the result between expectations and perceived performance (P-E=SQ). Since the SERVQUAL model is comparing the perceived performance to the expectations to find the gap between the variables to measure the perceived service quality. This is done by comparing the arithmetic means of each dimension, this gives an arithmetic mean score of expectations, performance and this is used to measure the gap score between the dimensions.

To be able to compare the dimension and the gap between expectations and perceived performance a Cronbach alpha test needs to be conducted before comparing the gap. Cronbach alpha (α) is a test used to measure internal reliability, internal consistency. It is most often used when analyzing multiple choice likert questions/statements and wanting to see if the scale is reliable (Blaikie, 2003). The intern consistency refers to how well different parts of a merged index measure the same underlying concept. Cronbach alpha is described as a number between 0-1. A high value indicates that the index has a high consistency and generally researchers agree that a good limit for α-value should be between 0,70-0,95 (Blaikie, 2003). However, through discussions with our mentor a α-value <0,65 was acceptable for this thesis.

With the help of SPSS regression analysis was made, this helps to study the relationship between one dependent variable and one or more independent variables. In this study the SERVQUAL variables are the independent variables and customer satisfaction and WOM are the dependent variables. Both the dependent variables and the independent variables were created through the questionnaires. To understand the regression analysis three factors were looked at; the R-square, Beta value and the significance level. The R-square (R²) indicates how much of the variance in
the dependent variable can be explained by the independent(s) variables in the regression. For example if the R-square of the model is 0.50, this means that approximately half of the variance is explained by the model (Blaikie, 2003). The unstandardized beta coefficient explains how much the independent(s) variables affect or influence the dependent variable. The unstandardized beta coefficient explains how much of a change of the dependent variable will occur for every one change in the independent variable. Furthermore, the standardized beta coefficient is a number between -1 and 1 and shows how strong a relationship is between the independent and dependent variable (Bell & Bryman, 2017). The significance level refers to how sure a researcher can be that their test could later on be generalized from the used sample into the population (Bell & Bryman, 2017). A significance level of 0.05 or 5% means that we accept a 5% risk of the result being random. A significance level of 0.01 or 1% which is the highest level of significance is the risk of being random as low as 1% (Bell & Bryman, 2017).

3.7 Criteria for validity & reliability

The concept of validity and reliability and how this thesis is going to be more reliable. The concept of reliability and validity are important to support the method choice for the thesis.

3.7.1 Validity

Validity is described if it applies to the accuracy and if the researcher measures the things that they should measure and can be confirmed both by internal and external resources according to (Bell & Bryman, 2017). The methods that are chosen due to how it suits the overall purpose and the research question. There are several alternatives to determine validity and the one that suits this thesis is internal validity. This indicates whether a conclusion containing a causal relationship between two or more variables is sustainable or not (Bell & Bryman, 2017). Internal validity raises questions about the consequences and perceived social consensus really negotiates a variation in moral awareness and that is not caused by something else. Causal influence is discussed with independent variables and its effect on the dependent variables. It is seen as a starting point for quantitative research. The statements in the questionnaire have already been tested and proved to give valid answers. The SERVQUAL model was developed to measure the service quality and its dimensions. The adaptation of the SERVQUAL model and its dimensions has also been tested in previous studies regarding the measurement of service quality which is a strength for this study's validity.
3.7.2 Reliability

Reliability is about conformities, consistency and the trust on a concept being measured. It is about whether the examination would be the same if it is tested again and be consistent (Bell & Bryman, 2017). There are different concepts about reliability and how to measure it and if it is about observations, index or scale (Bell & Bryman, 2017). Even if it is different concepts, strong reliability needs to convince that the result from the population of respondents does not fluctuate, i.e., the result does not differ significantly.

The reliability for this study depends if the industry stays similar to today's situation or if the purchase behavior changes and the grocery retail industry hence must adjust to it. As explained in the text, the expectations change as soon as people perceive a performance which also means that the result for this study might change if it is done in the future. The study still consists of the same questionnaire which is easy to understand and answer. The respondents are also limited with the answers because the questions are close-ended. The questionnaire is sent out in Swedish since it is the native language in Luleå, it helps to reduce misunderstandings with different expressions and reduce inconveniences to respond a second time. The Cronbach alpha was also used to test the internal reliability of the statements in the same dimensions, this was to ensure that the statements measured what they were supposed to measure. Therefore, this thesis has strong reliability.
4. Empirical Data

This chapter includes a presentation of the result from the questionnaire of this study. The chapter starts off with presenting the demographics of the respondents. Then later the cronbach alpha test is presented and discussed and thereafter is the gap score presented. Lastly will the regression be presented as well as an analysis.

4.1 Demographics

The demographics of the respondents for this study is shown in the table 4.1 below in percentage. The total sample size for this study was N=106.

The study divided demographics into four categories: Gender, Age, Level of Education and Monthly cost in grocery stores. The sample was distributed followingly, females were responsible for 57% of the answers and men for 42%, also other genders were responsible for 1% of the answers. Age was divided into four categories, 4% of the respondents were <20 years of age. The age range with the highest response rate was people between the ages of 20-30 with 43% and closely behind with 42% of the answers was the age range between 31-60. The oldest segment was >60 which stood for 11% of the answers. When it comes to the highest level of finished education of the respondents, university was the answer option with the highest percentage (58%). High school stood for 40% of the respondents and lastly middle school with 3%. Monthly cost in grocery stores was the last demographic for this study. A spending of <1000 SEK had the lowest percentage of respondents with only 3%. 1000-2500 SEK in monthly spendings was recorded as 15%. The answer option with the highest percentage of respondents was 2501-4500 and amounted to 48%. 34% of respondents had a monthly spending in grocery stores of >4500.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>42%</td>
</tr>
<tr>
<td>Female</td>
<td>57%</td>
</tr>
<tr>
<td>Other</td>
<td>1%</td>
</tr>
</tbody>
</table>
### Table 4.1: Demographics

<table>
<thead>
<tr>
<th>Age</th>
<th>&lt;20</th>
<th>4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td></td>
<td>43%</td>
</tr>
<tr>
<td>31-60</td>
<td></td>
<td>42%</td>
</tr>
<tr>
<td>&gt;60</td>
<td></td>
<td>11%</td>
</tr>
<tr>
<td>Level of education</td>
<td>Middle school</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>University</td>
<td>58%</td>
</tr>
<tr>
<td>Monthly cost</td>
<td>&lt;1000</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>1000-2500</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>2501-4500</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td>&gt;4500</td>
<td>34%</td>
</tr>
</tbody>
</table>

4.2 Reliability testing

4.2.1 Cronbach alpha

To test the internal reliability of the statements the Cronbach alpha test was conducted. The Cronbach alpha test included all of the five SERVQUAL dimensions and to support these the questionnaire was used and both the expectations and the perceived performance was reliability tested. As stated in chapter 3.6 the acceptance number of Cronbach alpha for this study was 0.65.

The lowest $\alpha=0.529$ and could be found in the expectations of accountability dimension. Since the lowest acceptance of $\alpha$ in this study was 0.65 this result was not sufficient enough. However, when analyzing the data the option of “Cronbach alpha if item deleted” is presented and when deleting statement 8 of expectations (AT2) “It is okay if the employees are too busy to respond to customer requests promptly” $\alpha$ raised to 0.650 which is sufficient enough. Therefore, statement 8 of expectations (AT2) was deleted.

See table for more information:
### Dimension: Accountability (expectations)

<table>
<thead>
<tr>
<th>Reliability statistics:</th>
<th>Cronbach alpha: 0.529</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement:</td>
<td>Cronbach alpha if item deleted:</td>
</tr>
<tr>
<td>7. Employees of the store are able to handle customer complaints directly and immediately</td>
<td>0.329</td>
</tr>
<tr>
<td>8. It is okay if the employees are too busy to respond to customer requests promptly</td>
<td>0.650</td>
</tr>
<tr>
<td>9. Employees of the store respond quickly to customer needs</td>
<td>0.365</td>
</tr>
</tbody>
</table>

Table 4.2: Cronbach's alpha if item deleted, accountability expectations

The reliability test regarding the five expectation dimensions showed some differences. Starting with the two lowest dimensions, accountability (α=0.650) and empathy (α=0.664) were still sufficient enough because of the α value of =>0.65. The expectancies dimensions, trust (α=750) and confidence (α=0.790), were both over 7 and showed to be a good measure of the area of interest, service quality. The expectation dimensions that yielded the highest α score was the tangible dimension (α=0.800). All the dimensions except the accountability as stated earlier in the chapter yielded a lower value of reliability if a statement was to be deleted.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>0.800</td>
</tr>
<tr>
<td>Trust</td>
<td>0.750</td>
</tr>
<tr>
<td>Accountability</td>
<td>0.650</td>
</tr>
<tr>
<td>Confidence</td>
<td>0.790</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.664</td>
</tr>
</tbody>
</table>

Table 4.3: Cronbach’s alpha expectations
The reliability testing of the dimensions of perceived performance showed us differences compared to the expectations score. Similar to the expectations test, empathy was still low (α=0.650). Both confidence and accountability (α=0.732 and α=0.742) showed a high level of internal reliability. The perceived performance dimension of trust showed α=0.772 which was similar to the Cronbach alpha score of the expectancy dimension trust. The highest α score similar to the expectancy dimensions was the dimension tangible.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles</td>
<td>0.836</td>
</tr>
<tr>
<td>Trust</td>
<td>0.772</td>
</tr>
<tr>
<td>Accountability</td>
<td>0.742</td>
</tr>
<tr>
<td>Confidence</td>
<td>0.732</td>
</tr>
<tr>
<td>Empathy</td>
<td>0.650</td>
</tr>
</tbody>
</table>

Table 4.4: Cronbach's alpha perceived performance

4.3 Gap score

This part presents the arithmetic mean for all the items, both the perceived performance and the expectation the respondents had on service quality from the questionnaire. The purpose with this was to then later on be able measure the gap between expectations and perceived performance. The answers are categorized according to the SERVQUAL model into dimension as described earlier in the text. Table 4.5 below shows the arithmetic mean from all five dimensions.

Confidence was the dimension with the highest expectation where all the statements had an arithmetic mean over 6.0. The statements covered topics if the customers felt safe and if the customers had trust in the employees where the respondents had high expectations. The lowest arithmetic mean was the dimension of empathy where two of the statements did not reach 5.0 which is considered as low compared to the other dimensions. The statements for this dimension were mainly about the ability of the employees to understand customer needs. The total expectation average of the test was counted to 5.73 which is a quite high expectation since 7 was the highest possible number.
The performance score that has the highest arithmetic mean is the same dimension as expectations, confidence has an average score at 5.80. This score states that customers feel safe and have trust in the employees. The lowest arithmetic mean for the perceived performance score is the dimension empathy that got 4.92 on the lowest statement. The total arithmetic mean for all the performance dimensions is 5.47 which can be considered as quite high since it is made on a scale with 7 as the highest possible number.

A gap score is computed to find out which values that stand out and which dimension that has the highest level of perceived service quality. It is counted through performance - expectations, Parasuraman et al., (1988) demonstrates that a positive result or a high score of performance is considered as a high level of service quality which should extend to customer satisfaction. The result for the gap score shows that every dimension except two (TN1 and EM2) is showing a negative gap score which means that customers received lower performance than they expected. The values that are protruding to the others, are numbers that exceed -0.50 which is considered as a low gap score and shows that customers are dissatisfied with the perceived service quality. As mentioned there are two values that show a positive gap score, TN1 which indicates that customers believe that the grocery stores exceed their expectations in modern equipment. EM3 also shows a positive result which indicates that the customers are getting more personal attention from the employees than they expected.

The overall gap from every dimension shows that trust (-0,44) and confidence (-0,41) are pointed out from the three other dimensions. All the dimensions from the overall gap are showing a negative result but are relatively close to zero except the two dimensions mentioned above.

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Statements</th>
<th>Expectation score</th>
<th>Performance score</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangibles (TN)</td>
<td>TN1</td>
<td>5,48</td>
<td>5,52</td>
<td>0,04</td>
</tr>
<tr>
<td></td>
<td>TN2</td>
<td>5,85</td>
<td>5,48</td>
<td>-0,37</td>
</tr>
<tr>
<td></td>
<td>TN3</td>
<td>5,32</td>
<td>5,22</td>
<td>-0,10</td>
</tr>
<tr>
<td>TN Overall</td>
<td></td>
<td>5,55</td>
<td>5,40</td>
<td>-0,15</td>
</tr>
<tr>
<td>Trust (TR)</td>
<td>TR1</td>
<td>5,90</td>
<td>5,32</td>
<td>-0,58</td>
</tr>
<tr>
<td></td>
<td>TR2</td>
<td>6,12</td>
<td>5,68</td>
<td>-0,44</td>
</tr>
<tr>
<td>--------</td>
<td>-----</td>
<td>------</td>
<td>------</td>
<td>-------</td>
</tr>
<tr>
<td>TR3</td>
<td>5,94</td>
<td>5,63</td>
<td>-0,31</td>
<td></td>
</tr>
<tr>
<td>TR Overall</td>
<td>5,98</td>
<td>5,54</td>
<td>-0,44</td>
<td></td>
</tr>
<tr>
<td>Accountability (AT)</td>
<td>AT1</td>
<td>5,42</td>
<td>5,41</td>
<td>-0,01</td>
</tr>
<tr>
<td>AT2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AT3</td>
<td>5,85</td>
<td>5,45</td>
<td>-0,40</td>
<td></td>
</tr>
<tr>
<td>AT Overall</td>
<td>5,63</td>
<td>5,43</td>
<td>-0,20</td>
<td></td>
</tr>
<tr>
<td>Confidence (CO)</td>
<td>CO1</td>
<td>6,08</td>
<td>5,71</td>
<td>-0,37</td>
</tr>
<tr>
<td>CO2</td>
<td>6,38</td>
<td>6,05</td>
<td>-0,33</td>
<td></td>
</tr>
<tr>
<td>CO3</td>
<td>6,17</td>
<td>5,65</td>
<td>-0,52</td>
<td></td>
</tr>
<tr>
<td>CO Overall</td>
<td>6,21</td>
<td>5,80</td>
<td>-0,41</td>
<td></td>
</tr>
<tr>
<td>Empathy (EM)</td>
<td>EM1</td>
<td>5,87</td>
<td>5,29</td>
<td>-0,58</td>
</tr>
<tr>
<td>EM2</td>
<td>4,99</td>
<td>4,92</td>
<td>-0,08</td>
<td></td>
</tr>
<tr>
<td>EM3</td>
<td>4,89</td>
<td>5,29</td>
<td>0,41</td>
<td></td>
</tr>
<tr>
<td>EM Overall</td>
<td>5,25</td>
<td>5,17</td>
<td>-0,08</td>
<td></td>
</tr>
<tr>
<td>Overall</td>
<td>5,73</td>
<td>5,47</td>
<td>-0,26</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.5: Expectations & Performance and gap score

4.4 Regression

To answer H3 and H4 two regressions were made to test the relationship between the dimensions and customer satisfaction as well as WOM. To be able to test this two multivariate regressions were made, one per each dependent variable, one for testing the SERVQUAL dimensions relationship with customer satisfaction and one for testing the SERVQUAL dimensions relationship with WOM. The independent variables were conducted with the help of comparing the perceived performance against the expectations for each dimension created. This was done
by subtracting the perceived performance against the expectations (P-E) for each statement. This was done for all the statements in the same dimension and where the sum of these combined statements later was divided with the same numbers as statements included in the specific equation. The dimensions created the independent variables and the dependent variables were conducted as mentioned earlier in 3.4.1, with the help of the statements “What is your level of satisfaction in the grocery store you usually visit” for customer satisfaction and “Intention to recommend the grocery store you usually visit to friends and family” for the WOM variable.

The first regression was made to test H3 “There is a relationship between customer satisfaction and the dimension of service quality”. The model summary shows following values, R, R-square, Adjusted R-square and Std Error of the Estimate for the model. The most interesting value as mentioned in chapter 3.6, is R-square. R-square indicates how much of the variance in the dependent variable can be explained by the independent variables. This model shows us that approximately 25% of the variance in the dependent variable can be explained by the SERVQUAL dimensions.

<table>
<thead>
<tr>
<th>Model summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Empathy, Accountability, Confidence, Tangibles, Trust

Table 4.6: Regression model summary, Customer Satisfaction

Furthermore, the unstandardized beta coefficients indicate how much a change of one unit of the independent variables affects customer satisfaction. The standardized beta coefficient is a number between -1 and 1 and explains how strong the relationship between the dependent variable and the independent variable is. The dimensions tangibles show an unstandardized beta coefficient of 0.164 which means that a change of one unit affects the customer satisfaction with 0.164 units and the standardized beta has a positive value of 0.386. The beta coefficient for
tangibles is significant at a 95% level of significance since the significance level is <0,001. The criteria for the coefficient for being significant is a significant value of lower than 0,05.

The trust variable has an unstandardized beta coefficient of 0,026. However, the trust dimension is not significant at a 95% level of significance since the significant value is higher than 0,05. This means that it can not be guaranteed that the results are not random. The next dimension, accountability has an unstandardized beta coefficient equal to 0,121 which shows that a one unit change in accountability leads to customer satisfaction increasing with 0,121 units. Furthermore the standardized beta coefficient has a positive value of 0,206. The accountability dimension is significant to a 95% level of significance with a significance value of 0,035. The next dimension is confidence, the unstandardized beta coefficient shows that a one unit change of confidence will affect customer satisfaction with 0,034 units. However, once again this dimension is not significant to a 95% level of significance. The last dimension is empathy, empathy has an unstandardized beta coefficient of -0,041 which means that a one unit change in empathy will affect customer satisfaction negatively with 0,041 units. However, this dimension is not significant to a 95% level of significance.

<table>
<thead>
<tr>
<th>Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>(Constant)</td>
</tr>
<tr>
<td>Tangibles</td>
</tr>
<tr>
<td>Trust</td>
</tr>
<tr>
<td>Accountability</td>
</tr>
<tr>
<td>Confidence</td>
</tr>
<tr>
<td>Empathy</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Satisfaction
Table 4.7: Regression Coefficients, Customer Satisfaction

The second regression was made to test H4 “There is a relationship between Word of Mouth and the dimension of service quality”. This model summary shows the same categorizations of values as the regression above with different results. The model summary indicates that approximately 9,7% of the variance in the dependent variable can be explained by the SERVQUAL dimensions.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R-square</th>
<th>Adjusted R-square</th>
<th>Std Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.311a</td>
<td>0.097</td>
<td>0.052</td>
<td>1.373</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Empathy, Accountability, Confidence, Tangibles, Trust

Table 4.8: Regression model summary, Word of Mouth

A regression was also made with WOM as the dependent variable, where the unstandardized beta coefficient showing how much a one unit change of the independent variable affects the dependent variable. The tangible dimension shows that, if it changes with one unit, WOM will change with 0,080 units. However, the tangible dimension is not also significant at the 95 % level of significance since the significance value is greater than 0,05. The unstandardized beta coefficient for the trust dimension is -0,026 which means that it affects WOM in a negative way with 0,026 units if trust changes one unit. Nevertheless, trust is not significant at the level of 95 % significance because of the significance value. This means that we can not assume that the results are not random.

Accountability has an unstandardized beta value of 0,173 which shows that WOM changes 0,173 units if the dimension changes one unit. Furthermore, the standardized beta value has a positive value of 0,222. Accountability has a significance value of 0,039 and is therefore significant at the 95 % level of significance. The Confidence dimension has an unstandardized beta coefficient of 0,031 which shows that WOM changes 0,031 units if confidence changes by one unit. Confidence is not significant at a 95 % level of significance. Therefore, the result can not be considered as random. The last dimension is empathy and has an unstandardized beta coefficient
that is 0,029, meaning if empathy changes by one unit, WOM changes with 0,029 units. Nevertheless, the dimension is not significant at a 95 % level of significance since the significance value is 0,733.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized B</th>
<th>Coefficients Std. Error</th>
<th>Standardized Coefficients Beta</th>
<th>t</th>
<th>Sig.</th>
<th>95.0 Confidence Lower Bound</th>
<th>95.0 Confidence Upper Bound</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>5,822</td>
<td>,150</td>
<td></td>
<td>38,915</td>
<td>&lt;,001</td>
<td>5,525</td>
<td>6,119</td>
</tr>
<tr>
<td>Tangibles</td>
<td>,080</td>
<td>,069</td>
<td>,143</td>
<td>1,173</td>
<td>,244</td>
<td>-,056</td>
<td>,216</td>
</tr>
<tr>
<td>Trust</td>
<td>-,026</td>
<td>,072</td>
<td>-,045</td>
<td>-,363</td>
<td>,717</td>
<td>-1,69</td>
<td>,117</td>
</tr>
<tr>
<td>Accountability</td>
<td>,173</td>
<td>,083</td>
<td>,222</td>
<td>2,092</td>
<td>,039</td>
<td>,009</td>
<td>,337</td>
</tr>
<tr>
<td>Confidence</td>
<td>,031</td>
<td>,086</td>
<td>,041</td>
<td>,367</td>
<td>,714</td>
<td>-1,138</td>
<td>,201</td>
</tr>
<tr>
<td>Empathy</td>
<td>,029</td>
<td>,084</td>
<td>,042</td>
<td>,342</td>
<td>,733</td>
<td>-,138</td>
<td>,195</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Word of Mouth

Table 4.9: Regression Coefficients, Word of Mouth
5. Data Analysis

This chapter includes an analysis from the collected data that is presented in the previous chapter. The result interprets the chosen theory and the hypothesis with help of the arithmetic mean and the regression.

The Cronbach alpha test was made to measure the internal reliability of the statements to see if the statements in the same dimension were measuring what it was supposed to measure. The internal reliability showed an acceptable number of $\alpha$ in almost all the dimensions except the accountability expectations. AT2 for expectations showed a low internal reliability which meant that it did not measure what it was supposed to measure to an acceptable degree. The question AT2 was therefore deleted and the dimension was instead constructed of AT1 and AT3. However, due to the large scale of statements, there was there a high chance of finding low reliability in some of the dimensions (Bell & Bryman, 2017). Furthermore, the tangibles dimension shows the highest internal reliability of the dimensions, both expectations and perceived performance which means that the dimension for this study shows to be a great measurement for service quality. Dimensions such as trust and confidence do also show a high $\alpha$ value both for expectations and performances, which also indicates that these are good measurements of service quality.

Regarding the gap score, comparing the arithmetic means between the statements of expectations and perceived performance, the result shows that only statements TN1 and EM3 showed to have an outcome of when the perceived performance was greater than what the average customer expected. The total arithmetic mean of expectations was also greater than the total arithmetic mean of perceived performance ($E=5.73$ and $P=5.47$). This means that the overall service quality in grocery stores in Luleå is lower than what the customers expect. However, Parasuraman et al., (1988) states that it is usual that the expectations exceed the performance and that the gap score is negative. Furthermore this means that companies should always be motivated to keep improving their service quality. Even though the expectations exceeded the perceived service performance in almost all of the statements, the overall gap was fairly low and with a total comparison gap of -0.26 (expectations was exceeding the performance with 0.26 units) which is
a quite low exceeding number which shows that the grocery stores still perform somewhat near the expectations. Nevertheless, the overall arithmetic mean of customer satisfaction was 5.75 and the arithmetic mean for positive WOM was 5.74. Both the number for the arithmetic mean for perceived customer satisfaction and positive WOM should be viewed as high numbers since they are made on a scale where seven is the highest number. With this said, the perceived customer satisfaction and the intention to recommend (WOM) is still high even though the negative comparison gap between the expectations and the performance.

To test the first two hypothesis that is:

**H1:** The smaller the comparison gap between expectations and perceived performance, the higher level of customer satisfaction  
**H2:** The smaller the comparison gap between expectations and perceived performance, the higher chances of positive Word of Mouth

It can be inferred from the overall comparison gap (-0.26) that H1 failed to reject and therefore can it be said that there is a connection with the smaller comparison gap between expectations and performance and the level of customer satisfaction. The same occurs regarding H2, a small comparison gap leads to a positive WOM which fails to reject H2 as well. Even if the overall gap is negative, the gap should be considered low enough to not reject H1 and H2 since it is close to zero which is required according to the hypothesis to experience customer satisfaction and positive WOM. The overall score of the customer satisfaction and WOM is also high which indicates that the customers experience satisfaction and have an intention to recommend.

As stated in the data presentation regarding the first regression which was testing the relationship of customer satisfaction, only two of the five SERVQUAL dimensions showed a significant value, tangibles and accountability. This means that these two show a significant relationship with customer satisfaction. If we connect this result to the disconfirmation theory, it can be stated that the comparison between expectations and performance of these service quality dimensions actually leads to customer satisfaction.
The tangible dimension refers to the store's equipment, cleanliness in the physical facilities and an overall visual appeal of the physical facilities. This means that customer satisfaction is shown to have a relationship with the tangible factors in a store. The standardized beta of tangibles shows a positive relationship with customer satisfaction with a value of 0.386. The unstandardized beta shows that a 1 unit increase for tangible factors increases the perceived customer satisfaction with 0.164 units. Accountability was the other significant dimension in the regression where customer satisfaction was the dependent variable. Accountability refers to how well the employees are at handling customers complaints and how quick they manage to do so. According to the regressions it can be seen that 1 unit change in accountability will affect customer satisfaction positively with 0.121 units. Furthermore, the standardized beta coefficient for accountability shows a positive relationship with customer satisfaction of 0.206.

To answer H3: *There is a relationship between customer satisfaction and the dimensions of service quality.*

The result showed that the SERVQUAL dimensions of tangibles and accountability showed a significant relationship with customer satisfaction. However the other three dimensions trust, confidence and empathy could not prove a statistical significant relationship with customer satisfaction. Because of this, H3 fails to be rejected.

When analyzing the regression made to test the SERVQUAL dimensions relationship with WOM it can be seen that only the accountability dimension showed to have a statistically significant relationship. This means that the other four variables in the SERVQUAL model cannot be proven to show a significant relationship with WOM to a 95% level of significance. Accountability showed a significant relationship where the unstandardized beta coefficient one unit change of accountability would increase positive WOM with 0.173 units. The standardized beta coefficient shows a positive relationship with a value of 0.222. This shows that an increased response for accountability factors will also increase the positive WOM. Thus if the employees increase their responsiveness of complaints and customer needs is a higher chance of positive WOM.
To answer H4: *There is a relationship between positive Word of Mouth and the dimensions of service quality.* As said, it was seen that the only significant dimension was accountability. Therefore H4 failed to reject.
6. Findings & Conclusion

This chapter includes the discussion of the thesis, the result is related to the disconfirmation theory. The chapter also includes a conclusion for the research question. Implications are also stated, theoretical implications as well as practical implications. Limitations and suggestions for further research are also included.

6.1 Discussion

Regarding the results it could be seen that only two of the dimensions regarding customer satisfaction were significant and only one significant dimension was found regarding WOM. The variables that do not show a significant relationship with either one of the dependent variables can be explained. Regarding customer satisfaction, one possible explanation could be that the three other dimensions can be explained as hygiene factors, they have become a necessity for the grocery stores and can therefore not be proven to show a significant relationship. One explanation for why these dimensions have become hygiene factors in the grocery retail industry is the maturness of the industry. As stated in the introduction, the grocery retail industry is a mature market with already a well known service quality, i.e., the customer knows roughly what they will receive. Therefore, according to the disconfirmation theory, these dimensions can be explained as neutral satisfaction where the expectations and performance is not as important since the customers already know what they will receive. Regarding the proven significant relationship for the two dimensions, tangible and accountability, can be related to the disconfirmation theory that even though the expectation is greater than the perceived performance, the customer still experiences satisfaction. This should also mean that if a negative occurs, a negative change in these significant dimensions with the perceived performance than what they received in this study, should lead to customer dissatisfaction.

The SERVQUAL dimension's significant relationship with WOM was only found in one of the dimensions, accountability. Accountability shows a statistical significance relationship to WOM. This means that the employee's responsiveness regarding complaints and how quick customer needs are handled. This shows to affect WOM positively. If we adapt the disconfirmation theory to WOM. The gap for accountability was -0.20 which means that WOM should have a higher intention of being negative according to the theory. However, as the regression shows, it can be
seen that the accountability still leads to a positive WOM. This is not in line with the theory. The accountability will still lead to a positive WOM with a small negative comparison gap. Regarding the other 4 dimensions which do not have a significant relationship with WOM. This could possibly be explained with the maturness of the grocery store industry, which is equivalent to the explanation regarding customer satisfaction. It is also connected to the disconfirmation theory, suggesting they have a neutral attitude to intention to WOM. Therefore, it also could be classified as a hygiene factor.

Regarding the effect of service quality on customer satisfaction and WOM were it proven that the two concepts are affected from different dimensions of service. Customer satisfaction was proven to have a higher explanatory power and easier to predict from the SERVQUAL dimensions since both tangible factors and accountability have a statistical proven relationship with the concept. Furthermore, WOM has less exploratory power which leads to it being harder to predict. The conclusion of this is that even though people are satisfied with the service they receive in a grocery store, they are still less likely to recommend and contribute to a positive WOM.

6.2 Conclusion for research question

To answer the research question: *Expectations vs performance - how does service quality affect customer satisfaction and WOM.*

According to Parasuraman et al., (1988) SERVQUAL model. Service quality is measured through the comparison gap between expectations and perceived performance. The results show that the overall expectations exceeded the overall perceived performance of service quality. As mentioned before, it is usual that the expectations exceed the performance and that the gap score is negative. This means that businesses should always be motivated to keep improving their service quality.

The service quality was measured with the help of the SERVQUAL model. This helped us to find the necessary data to be able to conduct the explaining variables for the research question. The arithmetic means Table 4.5 showed an overall negative gap of -0.26 for the perceived service
quality. Furthermore, the customer satisfaction variable showed a value of 5.75 and the WOM variable showed a value of 5.74. This shows a high level of customer satisfaction and a high intention to recommend even though the negative gap.

The service quality dimensions accountability showed a significant relationship with both customer satisfaction and WOM. For customer satisfaction, we see that the service quality dimension tangibles also shows a significant relationship.

The SERVQUAL model developed by Parasuraman et al., (1988) which is a well adapted model in research regarding service quality. However, since its creation in 1988, the society as well as the demand of service has changed. One example of dimensions is empathy. The empathy dimension relates to the ability of the employees to understand the customer needs. However, with an increased self service in the grocery retail industry empathy has led to a lesser vital part of the service because of the low contact and low involvement. This means that customers will only talk and interfere with the employees if something goes wrong. Furthermore, stores with a standardized and mature offering with low involvement, low contact and self service could lead to a fundamental change of the components of the SERVQUAL model.

So to answer the research question, expectations and perceived performance plays an important role in the perceived service quality. The service quality has also been shown to affect both the customer satisfaction and WOM as well. However, the different dimensions of service have shown to have a differential role in importance when studying the relationship of service quality with customer satisfaction and WOM. Customer satisfaction was also proven to have a higher explanatory power than WOM with the SERVQUAL model as a tool.

6.3 Theoretical implications

The purpose of this study was to find out and describe how service quality affects customer satisfaction and WOM, and specifically the grocery retail industry. Models on the area have been adapted which originally were made for different industries than the grocery retail industry. Since service quality is important and occurs in all service industries it was applicable for the grocery retail industry as well.
The research question has been developed to study the purpose, and the SERVQUAL model was used to measure the service quality. The SERVQUAL dimensions gave us the ability to measure the first part of the disconfirmation theory which is the comparison of expectations and performances.

Furthermore, the disconfirmation theory and the disconfirmation paradigm is most often used in research regarding customer satisfaction. However, the result of this study indicates that the P-E comparison gap also is suitable regarding research on which direction WOM is directed.

However, the overall comparison gap as shown was negative, which according to the theory leads to dissatisfaction. However, the result indicates that some of the dimensions lead to satisfaction and a positive WOM and not dissatisfaction as the theory would assume.

6.4 Practical implications

The recommendations for performers in the grocery retail industry is that there are always implications for improvement regarding service quality in the stores according to the result in this research. Since the gap score showed a negative arithmetic mean of all the dimensions. Businesses have not kept up with demand for service while the industry has taken steps towards a more self-service directed industry. The industry has nowadays high competitiveness and customers have high access to substitutes regarding brand of grocery store. This will also make a clear picture of which dimension the industry should direct focus to since it differs from the importance of self-service concept and knowledge from employees to bring service quality to customers. Since the dimensions in the SERVQUAL model can be adapted to service markets, it will be easier to gather information by using the same model and framework as this research has.

6.3 Limitations

There are limitations in every research study which you have to take into account. The focus of this study has been on service quality dimensions related to the grocery retail industry which lowers the ability to generalize its results for other studies about service quality. A limitation for this study has also been the lack of resources. For example, the electronic questionnaires were made and an improvement for the study could have been to physically handout the questionnaires. But due to the lack of resources this was not possible. This could possibly have
given other answers from the respondents and probably also another result. Instead, the respondents had to think back on a situation that could be hard to remember i.e., previous visits to the grocery stores.

6.4 Suggestions for future research

Since the sample size for this thesis had around 80% of respondents in the age range of 20-60 years of age. It could be an alternative for future research to only do a sample on a specific age category to look at different generations. This research can also be conducted to other countries or other cities, to see if similar studies would also have similar conclusions and results. As mentioned in the conclusion, since the SERVQUAL model was founded in 1988 by Parasuraman, changes in the industry have led to a more self-service oriented grocery retail industry. We suggest replacing the last dimension in the model that is empathy. Since empathy focuses on what the employees offer in a service related context. Nowadays the grocery retail industry has developed with a bigger impact of self-service. Therefore, one suggestion for future research could be to replace the empathy dimensions to something more relatable to the development of self service. Future research in the area would benefit from exploratory research to be able to see what new emergent components for large retail would be.
7. References


Huang, L., Clarke, A., Heldsinger, N., & Tian, W. (2019, May 14). The communication role of social media in social marketing: a study of the community sustainability knowledge dissemination on LinkedIn and Twitter.


Appendix 1

Questionnaire in english:

We are two students that study international business and administration at Luleå university of technology doing research about service quality effects on customer satisfaction and Word of Mouth (that satisfied customers spreading the message further and the opposite). We appreciate it if you will take your time to answer the questionnaire regarding service quality in grocery stores. All the answers are anonymous. You are going to answer every statement in the following way:

| Strongly disagree | | | | | | | | Strongly agree |
|-------------------|---|---|---|---|---|---|---|
| 1                 | 2 | 3 | 4 | 5 | 6 | 7 |

Choose the number that fits you the most.

The questionnaire is divided into four parts; It starts with a short chapter of demographics, this is to know who is responding to the questionnaire.
The second part is about the expectations, the service that you expect to get when you visit a grocery store.
The third part is about the perceived performance, the service that you actually get when you visit the grocery store.
The fourth part includes that you are going to answer your perceived customer satisfaction and if it is possible that you recommend the grocery store to family and friends that you usually visit.

Expectations: The second part is about the expectations you expect of a grocery store. Choose the number that you think a grocery store should offer according to the following statements. We are interested to know about your expectations in the grocery store in Luleå.

Perceived performance: The third part is about what you actually experience in a grocery store. Choose the number that reflects your actual experience in the grocery store. To make it easier, think of the service in the grocery store that you usually visit in Luleå.
<table>
<thead>
<tr>
<th>Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Age</td>
</tr>
<tr>
<td>&lt;20</td>
</tr>
<tr>
<td>20-30</td>
</tr>
<tr>
<td>31-60</td>
</tr>
<tr>
<td>&gt;60</td>
</tr>
<tr>
<td>Level of education</td>
</tr>
<tr>
<td>Middle school</td>
</tr>
<tr>
<td>High school</td>
</tr>
<tr>
<td>University</td>
</tr>
<tr>
<td>Monthly cost</td>
</tr>
<tr>
<td>&lt;1000 SEK</td>
</tr>
<tr>
<td>1000-2500 SEK</td>
</tr>
<tr>
<td>2501-4500 SEK</td>
</tr>
<tr>
<td>&gt;4500 SEK</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scores of expectations</th>
<th>Scores of performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>Strongly agree</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>Strongly disagree</td>
</tr>
</tbody>
</table>

1. The store has modern looking equipment
2. The store has clean and convenient facilities
3. The physical facilities of the store are appealing
4. The store has merchandise available when the customers want it
5. The store provides its services at the time it promises to do so
6. Customers can count on the employees taking actions to address
1. Customers feel safe in their transactions with the store.

2. Employees in the store are consistently polite with customers.

3. The behavior of the employees indicates that they understand customer needs.

4. It is realistic to expect employees to know what the needs of their customers are.

5. Employees of the store are able to handle customer complaints directly and immediately.

6. It is okay if the employees are too busy to respond to customer requests promptly.

7. Employees of the store respond quickly to customer needs.

8. Employees of the store are able to trust employees of the store.

9. Customers are able to trust employees of the store.

10. Customers feel safe in their transactions with the store.

11. Employees in the store are consistently polite with customers.

12. The behavior of the employees indicates that they understand customer needs.

13. It is realistic to expect employees to know what the needs of their customers are.
customers are

15. Employees of the store give customers personal attention

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

16. Level of satisfaction in the grocery store you usually visit

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

17. Intention to recommend the grocery store you usually visit to friends and family

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
Appendix 2

Questionnaire in swedish:

Vi är två studenter som studerar internationell ekonomi kandidat på Luleå tekniska universitet som gör en studie på service kvalitetens påverkan på kundnöjdhed och Word of Mouth (att nöjda kunder sprider budskapet vidare och vice versa). Vi hade uppskattat om ni orkar ta en tiden att svara på denna enkäten angående service kvalitet i matvarubutiker. Alla svar är anonyma.

Ni skall svara på varje påstående på följande sätt:

**Håller inte alls med** | **Håller helt med**
--- | ---
1 | 2 | 3 | 4 | 5 | 6 | 7

Välj den siffra som stämmer bäst överens enligt dig.

Enkäten är uppdelad i fyra delar; Den startar kort med lite demografi, detta för att veta vilka som svarar på enkäten.

Andra avsnittet handlar om förväntningar, den servicen du förväntar dig att få när du besöker matvarubutiker i Luleå.

Tredje avsnittet handlar om upplevd prestation, den servicen som du faktiskt får när du besöker butiken.

På det fjärde avsnittet skall du svara på din upplevda kundnöjdhet samt din sannolikhet att rekommerdera den matvarubutiken du oftast besöker till familj och vänner.

Förväntningar: Andra avsnittet handlar om vad du förväntar dig av en matvarubutik. Välj den siffran som du tycker att matvarubutiker skall erbjuda angående följande påståenden. Vi är intresserade att veta vad du förväntar dig att få ut av matvarubutiker i Luleå

Upplevd prestation: Tredje avsnittet handlar om vad du faktiskt upplever i matvarubutiker. Välj den siffran som speglar det du faktiskt upplever i matvarubutiker. För att göra det lättare tänk på servicen i den matvarubutiken du oftast besöker i Luleå.
Demographics

<table>
<thead>
<tr>
<th>Kön</th>
<th>Man</th>
<th>Kvinna</th>
<th>Annat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ålder</td>
<td>&lt;20</td>
<td>20-30</td>
<td>31-60</td>
</tr>
<tr>
<td>Högst avklarad utbildning</td>
<td>Grundskola</td>
<td>Gymnasium</td>
<td>Eftergymnasial utbildning</td>
</tr>
<tr>
<td>Månatlig kostnad</td>
<td>&lt;1000 SEK</td>
<td>1000-2500 SEK</td>
<td>2501-4500 SEK</td>
</tr>
</tbody>
</table>

Skala för förväntningar är

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Håller inte alls med</td>
<td>Håller helt med</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Påståenden

1. Affären har modern utrustning
2. Butiken har rena och bekväma byggnader
3. Butiken fysiska faciliteter är tilltalande
4. Butiken har varor tillgängliga när kunden önskar
5. Butiken tillhandahåller tjänster den tid dom lovar att göra det
6. Kunder kan lita på att personalen hjälper till med att åtgärda problem som uppstår.

7. Butikens personal kan hantera klagomål omedelbart.


11. Kunderna känner sig trygga vid betalnings tillfälle i butiken.

12. Anställda i butiken är artiga mot kunder.


15. Butikens personal ger kunderna personlig uppmärksamhet.
<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>16. Din totala nivå av upplevd kundnöjdhet</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. Avsikt att rekommendera matvarubutiken du oftast besöker till vänner och familj</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>