THE INFLUENCE OF PERCEIVED SERVICE QUALITY ON THE LEVEL OF SATISFACTION AND REPEAT PURCHASE INTENTION OF CUSTOMERS AT SUPERMARKETS

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Abstract

In the highly competitive retail sector, the provision and measurement of superior retail service quality is crucial for gaining a sustainable competitive advantage. Service quality is an important strategic weapon in retail contexts, particularly in developing defensive marketing strategies. This study aimed to examine the relationship between perceived service quality and level of satisfaction and its effect on the repurchase intention in the context of three selected supermarkets in Thai Nguyen City, Viet Nam. Five dimensions of service quality namely reliability, tangibles, assurance, empathy and responsiveness were investigated for completed proposed research work. Data were collected from 300 customers who experienced the service directly from three supermarkets – Minh Cau I, Minh Cau II and HaproMart based in Thai Nguyen city. The results of this study showed that five variables of service quality namely tangibles, reliability, responsiveness, assurance and empathy were found to be significant impact on customer satisfaction and three service quality dimensions including tangibles, reliability and empathy had significant effect on repurchase intention. It was also revealed from the findings that there is a positive significant relationship between customer satisfaction and repurchase intention. Hence, marketing managers should pay much attention to service quality to win the customer satisfaction in order to create repurchase intention of customers.

Keywords: Service quality, Customer satisfaction, Repurchase intention, Retailing Sector

INTRODUCTION

Background of the study

In today's highly competitive environment, virtually all companies are forced to be more customer-oriented. Many authors argue that maximizing shareholder value is no longer effective in current global market. Perhaps Roberto Goizueta, the CEO of Coca-Cola from 1981 until his death in 1997, and Jack Welch, the CEO of General Electric from 1981 to 2001 are the two most critical figures of the shareholder movement. It is generally agreed that the level of customer satisfaction determines repeat sales, word-of-mouth recommendations, and customer loyalty. Superior service quality has become a major differentiator in producing customer satisfaction, and successful quality management is recognized as the most powerful competitive weapon that many leading service organizations process.

Service quality is an important strategy to retain customers (Berry et al., 1988). Yong (2000) also indicated that service aims to motivate people to consume which means that consumers' perceived service quality can influence customer retention by enhancing their repeat purchase intention. Researchers have also recognized that, in various retail store settings, service quality has a positive influence on both customer satisfaction and customer retention (Sivadas & Baker-Prewitt, 2000). Realizing the importance of the quality of service, retailers have attempted to improve their service to satisfy the consumers' more diverse personal demands and continually increasing expectations (Kotler, 1997) and to retain them as the loyal customers.

With the rapid development of modern retailers in terms of number of stores and value in Viet Nam typically Metro Cash & Carry and Big C, understanding of retail service quality and identifying determinants of retail service quality or justifying customers' satisfaction and their patronage has become strategic importance for retailers or the so-called supermarkets in Viet Nam. Their strong entry of these companies in the market has made the competition increasingly intense. The remarkable achievements gained by these chains have put countless challenges to domestic retailers. Even though the quality of customer service is considered as one of the key factors that determine the success of a firm, many Vietnamese retailers have not paid enough attention to it. This perhaps leads to low profitability, losses and even closures of some supermarkets.

A review of literature and studies revealed that recent studies conducted focused mainly on issues of the economy such as stock market, bank credit, inflation and the opportunities and challenges after joining WTO. Studies on service quality especially its influences on customer satisfaction leading to the retention of repurchase are almost nonexistent, especially in the retailing context of Thai Nguyen city. Thus, this research was conducted to provide baseline

data on the influence of customer perceived quality of service to their level of satisfaction and intention to repurchase intention of customers in selected supermarkets in Thai Nguyen City, Vietnam.

Theoretical Framework

This study was anchored on Stimulus-Organism-Response theory or commonly known as the Classical Conditioning theory espoused by Ivan Palov, a Russian Psychologist who did a very extensive study on how an organism like dog, given a certain stimulus like food, responded predictably like to salivate. According to this theory, a stimulus is an energy and information that is sensed, processed and interpreted by an organism, such that it elicits a response. The response may be positive, negative or ignored, and it is defined as the behavior of the organism in this particular situation. Figure 1 shows the concepts in Stimulus-Organism-Response or Classical Conditioning Theory.
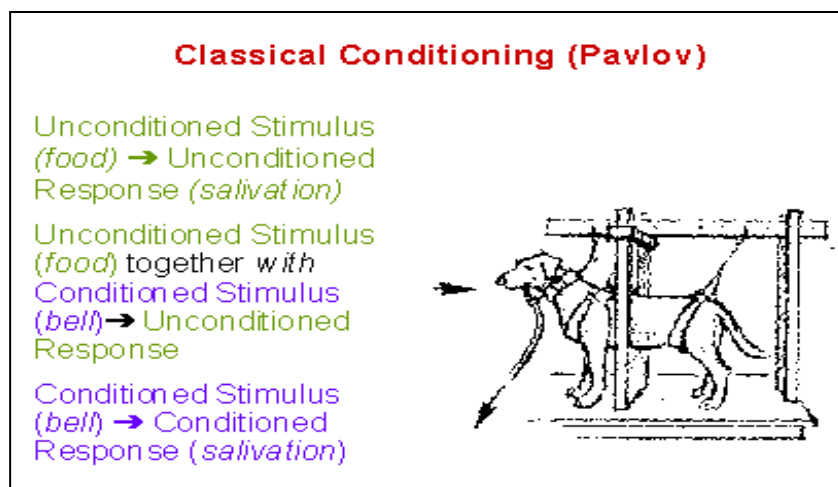

Figure 1. The Stimulus-Organism-Response Theory or
Classical Conditioning Theory by Ivan Pavlov

Conceptual Framework

The Stimulus-Organism-Response theory provides a clear explanation of the assumed influence of the supermarket's quality of service (the stimuli) to the level of satisfaction of customers (the organism) that resulted to their repurchase intention (the response). The stimuli in this study are dimensions of service quality including tangibles (the physical facilities of the supermarkets and the appearance of its personnel), reliability (the ability of the supermarket personnel to perform the promised service, dependability and accuracy of service), responsiveness (willingness of the supermarket personnel to help customers and provide prompt service), assurance (the

knowledge and courtesy of supermarket personnel and their ability to inspire trust and confidence from customers) and empathy (showing care and individualized attention that the supermarket personnel provide to its customers). The organism in this study is the customer, who may be very satisfied to very dissatisfied with the quality of service provided by supermarkets. The response in this study is the intention of the customers either to repurchase or not to repurchase products from the same supermarket.

The Stimulus-Organism-Response theory serves as the basis for the identified variables under study. The independent variable in this study is the stimulus, that is the perceived quality of service which has five dimensions such as: 1) tangibles, 2) reliability, 3) responsiveness, 4) assurance and 5) empathy. The dependent variable is the repurchase intention of the customers as to whether the customer has or has no intention to repurchase products from the same supermarket. It is assumed further that the organism, which is the customer, may have different level of satisfaction (very satisfied to very dissatisfied) of the quality of service provided by the supermarkets, which eventually changes their intention to repurchase products from the same supermarket. Thus, level of customer satisfaction is assumed to intervene between the independent and dependent variables. Figure 2 below shows the assumed relationships between these study variables.
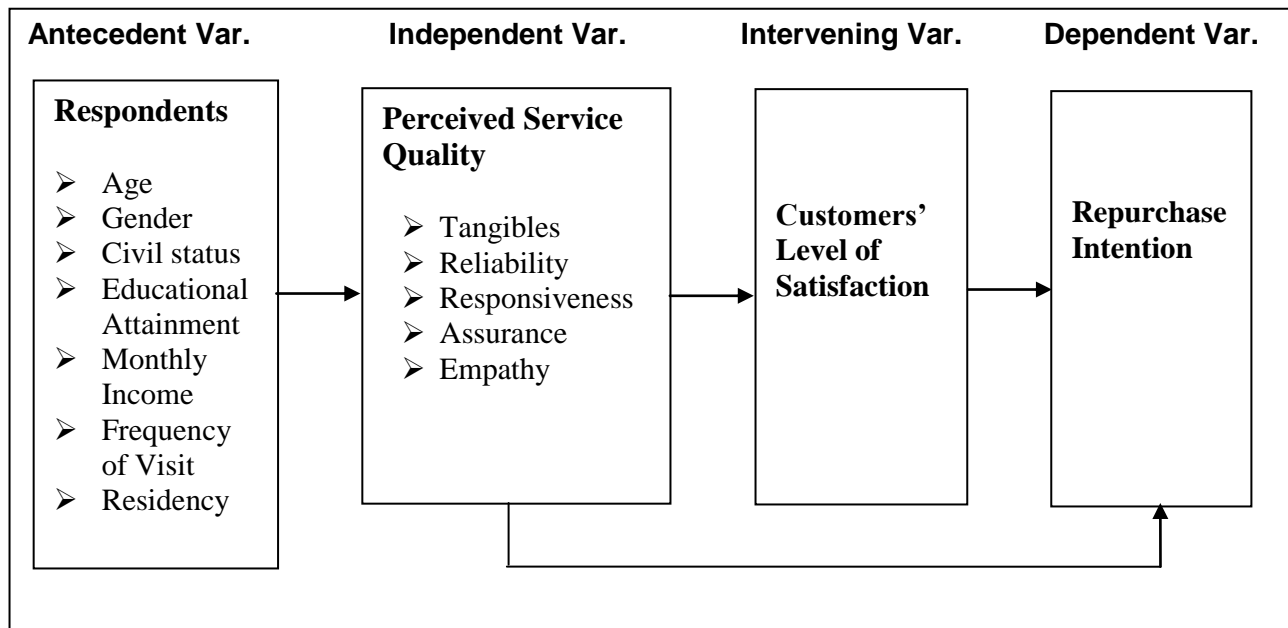
Antecedent Var.	Independent Var.	Intervening Var.	Dependent Var.
Respondents ➤ Age ➤ Gender ➤ Civil status ➤ Educational Attainment ➤ Monthly Income ➤ Frequency of Visit ➤ Residency	**Perceived Service Quality** ➤ Tangibles ➤ Reliability ➤ Responsiveness ➤ Assurance ➤ Empathy	**Customers' Level of Satisfaction**	**Repurchase Intention**

Figure 2. Conceptual Framework of the Study

Research Hypotheses

From the above conceptual framework, the following hypotheses are advanced:

1. There is no significant relationship between respondents' personal characteristics such as age, gender, civil status, educational attainment, monthly income, and frequency of visit, residency and the customers' perception on quality of service.

2. There is no significant relationship that exists between respondents' perceived service quality and level of satisfaction.

3. There is no significant relationship between respondents' level of satisfaction and repurchase intention.

4. There is no significant relationship on the respondents' perception on quality of service provided by supermarkets and their repurchase intention.

Significance of the Study

For the supermarket's management, they would be able to have a better understanding of the influence of service quality on customer satisfaction and in their repeat purchase. They may also improve the quality of their services to customers according to the dimensions that have positive influence on customer satisfaction and intention to repurchase. Achieving higher customer satisfaction and customer retention may contribute to the supermarkets' long-term success in a competitive business environment.

As for the supermarket's customers, they would benefit more if the supermarkets will improve the quality of their services resulting to more enjoyable and convenient shopping environment.

The supermarket personnel would also benefit from the results of the study. They would enable them to understand the importance of their functions in providing enjoyable and convenient environment to customers as well as understand what satisfy their customers most.

The future researchers would also benefit from the available information about the influence of perceived service quality in the customers' level of satisfaction and intention to repurchase. This would give them information and aid their understanding of the current situation.

LITERATURE REVIEW

Service Quality

According to Parasuraman et al., (1988) service quality has three features which are unique to services: intangibility, heterogeneity, and inseparability of production and consumption.

Therefore, they suggest that in the absence of objective measures, an appropriate assessment of the service quality of a firm is to measure consumers' perceptions of quality.

Service quality is viewed as a form of attitude representing a long-run overall evaluation. Maintaining service quality at certain level and improving service quality must be life-time efforts to those companies who desire life-time prosperity in customers' heart (Cronin& Taylor, 1992).

Gronroos (1992) in this line of propositions defined service quality as a difference between customer expectations of 'what they want' and their perceptions of 'what they get'. Customer's expectation serves as a foundation for evaluating service quality because, quality is high when performance exceeds expectation and quality is low when performance does not meet their expectation. Expectation is viewed in service quality literature as desires or wants of consumer i.e., what they feel a service provider should offer rather than would offer (Parasuraman et al., 1988).

Grönroos (2000) denotes that service quality is often separated into two types - technical quality and functional quality. Technical quality is indicated to the quality of the service goods such as what consumer purchases and whether the service can be fulfilled its technical identifications and standards. Functional quality, on the other hand, is explained as the step in which the service goods are distributed and how the relationship between the service provider and its customers.

Perceived Service Quality

(Negi, 2009) suggests that customer's perceived service quality has been given increased attention in recent years, due to its specific contribution to business competitiveness and developing satisfied customers. This makes service quality a very important construct to understand by firms by knowing how to measure it and making necessary improvements in its dimensions where appropriate especially in areas where gaps between expectations and perceptions are wide.

Snoj et al. (2004) defined perceived service quality as how well the client's measurement of the overall of the service. It acts as the mental comparison between price and quality that is offered by service providers. The communication method between the service provider and the receiver of a service is affected by the environment in a specific location where they work together and operate.

Douglas & Connor (2003), emphasis that the consumer who has developed heightened perception of quality has become more demanding and less tolerant of assumed shortfalls in service or product quality and identify the intangible elements (inseparability, heterogeneity and perish ability) of a service as the critical determinants of service quality perceived by a

customer. It is very vital to note here that, service quality is not only assessed as the end results but also on how it is delivered during service process and its ultimate effect on consumer's perceptions (Douglas & Connor, 2003, p.166).

SERVQUAL Models

Parasuraman et al. (1985) undertook a Qualitative Research to investigate the concept of Service Quality. They arranged an in-depth interview with the executives and Focus Group interviews with customers to develop a model of Service Quality. They identified ten key determinants of Service Quality including Reliability, Responsiveness, Competence, Access, Courtesy, Communication, Credibility, Security, Understanding, Tangibles. Later, these ten dimensions were purified into five by using factor analysis – tangibles, reliability, responsibility, assurance, and empathy (Parasuraman et al., 1988). Based on these five dimensions, he developed a global measurement for service quality, namely, SERVQUAL. Since then, the SERVQUAL measurement has been applied to measure the service quality in various industries by many researchers. The dimensions are shown as follows:

- Tangibles – physical facilities, appearance of personnel and equipment
- Reliability – ability to perform the promised service dependably and accurately
- Responsiveness – willingness to help customers and provide prompt service
- Assurance - Assurance (combination of items designed originally to assess Competence, Courtesy, Credibility, and Security) – ability of the organization's employees to inspire trust and confidence in the organization through their knowledge and courtesy.
- Empathy - Empathy (combination of items designed originally to assess Access, Communication, and Understanding the customer) – personalized attention given to customer.

Although SERVQUAL has been applied in the study of different types of service industries, there are certain limitations and criticisms.

SERVPERF Models

As a result of these criticisms, Cronin and Taylor (1992) proposed a 'perception-only' measure of service quality (known as 'SERVPERF'). The major difference between these two scales is that SERVQUAL operationalises service quality by comparing the perceptions of the service received with expectations, while SERVPERF maintains only the perceptions of service quality. The SERVPERF scale consists of 22 perception items excluding any consideration of

expectations. The superiority of SERVPERF over SERVQUAL has been demonstrated in numerous studies including those by Avkiran (1999), Lee et al. (2000) and Brady et al. (2002).

This study will use the SERVPERF scale to test the service quality and use the 22-item version as the questionnaires.

Customer Satisfaction

Customer satisfaction (CS) is a term that has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market. Today, companies face their toughest competition, because they move from a product and sales philosophy to a marketing philosophy, which gives a company a better chance of outperforming competition (Kotler, 2000). Overall customer satisfaction translates to more profits for companies and market share increase. The importance and definition of customers has been highlighted by many researchers and academicians.

Kotler & Keller (2006) defined satisfaction as a person's feeling of pleasure or disappointment resulting from comparing a product's performance (outcome) in relation to his or her expectation. Satisfaction is a 'psychological concept that involves the feeling of well-being and pleasure that results from obtaining what one hopes for and expects from an appealing product or service'.

Mishra (2009) has also pointed the definition of customer satisfaction as an evaluation rendered that the consumption experience was at least as good as it was supposed to be; additionally it has been opined to be an evaluation that the chosen alternative is consistent with prior beliefs with respect to that alternative.

Oliver initially formulated the theory of "expectation in conformity", meaning that customers will feel satisfied when the goods or services provide are beyond their expectation and expressing their dissatisfaction when their goods or services provided are beneath their expectation (as cited in Sheng & Liu, 2010).

Although there is no precise definition of customer satisfaction, it is clearly understood by ordinary human by interpreting the original meaning of the term. This study, under the light of the above discussion, employs the definition by Gyasi and Azumah (2009) which conceptualizes satisfaction as the process of customer overall subjective evaluation of the product/service quality against his/her expectation or desires over a time period

In retailing settings, customer satisfaction is also one of the major indicators of excellent quality in the company (Zeithaml, 2000). The satisfaction could receive from the performance of a useful function or from intrinsically pleasing properties cause of customer satisfaction happens

as the customer's sense that consumption provides outcomes against a standard of satisfaction versus dissatisfaction (Mano & Oliver, 1993).

Repurchase Intention

Fornell (1992) suggested that customer's repurchase intention is essentially the most important concept in marketing. Moreover, repurchase intention seems like to be the core concept of customer loyalty. It is especially considered to be one of the best measurements of customer loyalty or customer constancy in marketing research area and it is one of many ways to examine buyer loyalty behavior (Olsen, 2002; Bloemer & Kasper, 1995). Parasuraman and Grewal (2000) affirmed that repurchase intention shows the client's likelihood of repeatedly buying goods or services in the future and it is closely related to customer loyalty.

Bolton, Kannan, and Bramlett, (2000) also mentioned that customers will buy a service again depending on their awareness of value from their earlier service encounters and expectations of the relationship with a business in the future. Rising clients' repurchase intention can increase firm continuous revenue and increase operating efficiency over time (McDougall and Levesque, 2000).

Chandon et al. (2004) indicated that repurchase intention is the product or service that is accessible in memory than it is for a first time purchase. Parasuraman and Grewal (2000) affirmed that repurchase intention shows the client's likelihood of repeatedly buying goods or services in the future and it is closely related to customer loyalty.

In order to have a better understanding of the concept of repurchase intention, it is critical to be concerned with potential difference between a pre- consumption situation and post-purchase situation. Patterson and Spreng (1997) pointed out that in a pre-consumption situation; customers are more likely to be influenced by such extrinsic indications as brand image, price, store name, and market communication. In contrast, in post-purchase situations, the customers now have the consumption experience and are already familiar with those indications so the customers are less likely to make a purchase decision under the influence of those extrinsic indications. Specifically, the customers in post-purchase situations make a purchase decision based on their own satisfaction/dissatisfaction evaluations.

METHODOLOGY

Research Design

This study was descriptive - correlational in nature, which aimed to describe the respondents' perceived quality of service provided by three selected supermarkets in Thai Nguyen City, their level of satisfaction of these services and their intention to repurchase in these supermarkets.

Population, Sample Size and Sampling Technique

The population in this case was defined as the entire population of the country and foreign nationals visiting supermarkets in Thai Nguyen. Hence, a definite, statistically-sound sample was not feasible.

Convenience sampling was used for the purpose of the survey, and a research sample was taken to measure customer perceived quality of service, level of satisfaction and repurchase intention. Supermarkets were selected based on their geographical location and popularity. The survey was carried out on different days at three selected supermarkets – Minh Cau I, Minh Cau II, and HaproMart in Thai Nguyen, Vietnam.

A team of three researchers visited these selected supermarkets on different days during different hours of the day with the objective to cover customers in these selected supermarkets. A total of 300 customers were asked to fill up the distributed questionnaire.

Data Collection Instrument and Procedure

A researcher-made questionnaire was prepared and used in gathering information from the respondents. This questionnaire was developed using the guide matrix that was prepared to guide the researcher in identifying what information should be gathered from the respondents.

The prepared questionnaire was subjected to evaluation of experts in the field of business management. After the questionnaire was finalized, it was tested to five field-test respondents who formed part of the research respondents. The purpose of this test was to determine the friendliness and easiness of the questionnaire. The questionnaire was then re-produced and distributed to the respondents. Each respondent was asked to answer the questionnaire on their own. The researcher supervised the data gathering so that in cases where the respondents needed some clarification on the questionnaire, the researcher easily provided the information.

The filled-up questionnaire was gathered, reviewed for completeness and consistency. Then a number code was assigned to each reviewed questionnaire to facilitate proper data encoding and editing.

Data Processing and Data Analysis Plan

The gathered data was encoded in the computer using SPSS, statistical software appropriate for this type of research. Frequency tables were generated to describe the profile of the respondents and supermarkets. Likewise, frequency tables were generated to describe the customers' perceived quality of service provided by supermarkets, their level of satisfaction of

the service provided, and their intention to repurchase products from the same supermarkets. Mean was used to describe the central tendencies of responses.

To evaluate perception of customers on quality of services in terms of four aspects, the researcher used point ranges and descriptive interpretations as follows:

Point Range	Descriptive Interpretation
4.20 – 5.00	Much better than expected (Much better)
3.40 – 4.10	Better than expected (better)
2.60 – 3.30	Equal to expectation (Equal)
1.80 – 2.50	Worse than expected (Worse)
1.00 – 1.79	Much worse than expected (Much worse)

Cross tabulations were generated and regression analysis was used to determine significant associations between variables.

FINDINGS AND DISCUSSIONS

Respondents' Profile

As regards to the profile of the respondents, the result shows that most customers who come to these supermarkets are female and they belong to the age bracket between 31-40. The majority of them earned bachelor's degree and can earn more than five million VND per month. Almost three-fourths (74.3%) of the respondents were married and more than half are residents of Thai Nguyen City.

Respondents' perception on service quality in terms of tangibles, reliability, responsiveness, assurance and empathy

Table 1 describes the data on the respondents' perception on service quality in terms of tangibles, reliability, responsiveness, assurance and empathy. The mean score of the overall service quality is 3.13. The overall mean score for the service quality scale comprised of the five service quality factors was calculated by 1) combining the scores of all the items in a scale and 2) dividing the combined scores by the number of items. Among the five dimensions of service quality, the indicator on responsiveness factor shows the highest mean score of (M = 3.56, SD = 0.74500), closely followed by the empathy factor (M = 3.31, SD = 0.84535). The assurance factor and the tangible factor were relatively equal with (M =2.82 and 2.93 respectively), and the factor which has the least mean is reliability (M = 3.07, SD = 0.70120).

Table 1. Respondents' perception on quality service in terms of Tangibles, Reliability, Responsiveness, Assurance and Empathy

Indicators	Mean	Std. Deviation
Tangible	**2.82**	**.64011**
The supermarket has modern-looking equipment	2.52	.81146
The supermarket's physical facilities are visually appealing.	2.39	.72548
The supermarket's employees are neat-appealing.	3.94	.79723
Materials associated with the service (such as shopping bags, catalogs or statements) are visually appealing at the supermarket.	2.44	.77139
Reliability	**3.07**	**.70120**
When the supermarket promises to do something by a certain time, it does so.	2.21	.75222
When you have a problem, the supermarket shows a sincere interest in solving it.	2.36	.76591
The supermarket performs the service right the first time.	3.45	.77621
The supermarket provides its service at the time it promises to do so.	4.23	.82719
The supermarket insists on error free sales transactions and records	2.26	.86793
Responsiveness	**3.56**	**.74500**
Employees in the supermarket tell you exactly when services will be performed.	3.12	1.0032
Employees in the supermarket give you prompt service	3.86	.84481
Employees in the supermarket are always willing to help you.	4.23	.82937
Employees in the supermarket are never too busy to respond to your questions	3.03	.76881
Assurance	**2.93**	**.72862**
The behavior of employees in the supermarket instills confidence in you.	2.54	.81071
You feel safe in your transactions with the supermarket.	2.42	.86763
Employees of the supermarket consistently courteous with you.	2.87	.78273
Employees the supermarket have the knowledge to answer your questions	3.88	.86252
Empathy	**3.31**	**.84535**
The supermarket gives you individual attention.	2.45	.91850
The supermarket has operating hours convenient to all its customers.	3.11	.88346
The supermarket has employees who give you personal attention.	2.42	.92754
The supermarket has your best interest at heart.	3.93	.90987
The employees of the supermarket understand your specific needs	3.79	.98444
SERVICE QUALITY	**3.13**	**.45851**

Respondents' level of satisfaction with service quality

Table 2 shows the respondents' level of satisfaction with the service quality of the selected supermarkets in Thai Nguyen City, Vietnam. The mean score of the customer satisfaction scale is 3.04 (SD = 0.75959). It means that the mean score for level of satisfaction with the service quality is not so high. The mean score for the satisfaction regarding the services they receive from supermarket is only 2.46 while the mean score for the wise decision to visit the same supermarket is 3.00. In addition, the mean score on the indicator for their perception that they did the right thing in deciding to visit the same supermarket is 3.95. Lastly, on the indicator if their shopping experience has been an enjoyable one, the mean score is 2.74.

Table 2. Respondents' Level of Satisfaction with the Service Quality

Indicators	Mean	Std. Deviation
I am satisfied with the services I receive from this supermarket	2.46	.86268
My decision to visit this supermarket has been a wise one	3.00	.83004
I did the right thing when I decided to shop here	3.95	.90382
My shopping experience here has been an enjoyable one.	2.74	.80906
Overall	**3.04**	**.75959**

Respondents' intention to repurchase

Table 3 shows that the mean score for the respondents' intention to repurchase is 3.16 (SD = 0.87705). Specifically, on the indicator if the respondents intend to revisit the same supermarket, the mean score is 2.99 while on the indicator if the respondent is committed to maintain purchasing in the same supermarket is 3.33.

Table 3. Mean distribution of respondent on Repurchase Intention

Indicators	Mean	Std. Deviation
I intend to revisit this supermarket at the first opportunities.	2.99	.93963
In future, I am committed to maintaining my purchasing at this supermarket	3.33	.89717
Overall	**3.16**	**.87705**

Relationship between respondents' level of satisfaction and service quality

The scale for reliability was assessed through two tools including Cronbach coefficient and factor analysis (Slater 1995). The results indicated that the reliability of all factors reached the potential reliability shown by Cronbachs' Alpha which was greater than 0.60. Therefore, the

scale of factors affecting the repurchase intention and satisfaction was eligible to analyze in the thesis.

The Factor Analysis for Five Dimension of Service Quality

Table 4. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.858
Bartlett's Test of Sphericity	Approx. Chi-Square	7309.345
	df	325
	Sig.	.000

The KMO is at 0.858 (between 0.5 and 1 meaning that the data used in the factor analysis was appropriable. If the indicator is less than 0.5, the factor analysis are likely not compatible with the gathered data.

Principal components with Varimax rotation factors were employed in factor analysis. In step one, 27 items (questions) were retained and two items have been eliminated because they had low transmission coefficient. The result of the KMO and Bartllet test showed that KMO value was higher than 0.5 (0.858). As a result, the Ho hypothesis is rejected at 0% statistically significant (Sig=0.000). Therefore, the initial conditions to conduct in factor analysis were suitable.

Table 5. The factor analysis for

five dimension of service quality

Rotated Component Matrix[a]

	Component						
	1	2	3	4	5	6	7
Res4	.924						
Res1	.895						
Res2	.880						
Res3	.818						
Rel3		.894					
Rel5		.885					
Rel1		.867					
Rel4		.766					

Em4	.874			
Em5	.871			
Em2	.827			
Em3	.790			
As4		.913		
As3		.911		
As1		.866		
As2		.852		
Sa4			.823	
Sa1			.787	
Sa2			.765	
Sa3			.674	
Tan3				.889
Tan2				.881
Tan4				.778
Tan1				.703
Rep1					.872
Rep2					.769

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

The final seven dimensions of service quality factors were based on the following criteria: (1) a factor had eigen-values equal to or greater than 1; (2) an item had a factor loading equal to or greater than 0.50 without double loading. 27 questions were used in which 25 items retained the factors loading and the other two items were rejected.

Table 5 above illustrated the result of Rotated Component Matrix. It can be seen from the table that there were seven factors in the model in which the tangibles factor included four items (Tangibles 1, Tangibles 2, Tangibles 3, and Tangibles 4, with the value 0.703, 0.881, 0.889 and 0.778 respectively). Similarly, for Responsiveness and Assurance, no items were excluded. However, there were only three items left in the category of Reliability including Reliability 4, Reliability 3 and Reliability 5. Empathy 1 was also rejected after second step of factor analysis.

Relationship between Respondents' Level of Satisfaction and Service Quality

Table 6. Relationship between Respondents' Level of Satisfaction and Service Quality

Variables		Coefficients[a]	Std. Error	T	Sig
	(Constant)	-.429	.231	-1.859	.064
Dependent	Tangible	.123	.051	2.403	.017
valuable:	Reliability	.279	.049	5.704	.000
Satisfaction	Responsiveness	.141	.046	3.100	.002
	Assurance	.180	.044	4.110	.000
	Empathy	.374	.044	8.532	.000
R Square		.516			
R		.718a			
Std. Error of the Estimate		.54907			
F		62.613			.000[a]
Durbin-Watson		1.819			

Table 6 demonstrates the result of the study using a multiple regression analysis to examine the relationships among perceived service quality and customers' satisfaction. The results of the regression analyses indicated that the effects of the five service quality factors on the customer satisfaction was statistically significant (F = 62.613, and sig = .000[a] < .05). 51,6% of the overall customer satisfaction was explained by the five factors of service quality provided by these supermarkets.

Additionally, a regression coefficient from multiple regression analysis was used to identify the influential level that service quality factors have on the overall customer satisfaction. The coefficients indicated that the factors of Empathy (β = .374, sig =.000) exerted the strongest influence on the customers satisfaction followed by the factors of Reliability (β = .279, sig = .000), Assurance (β = .180, sig =.000) and Responsiveness (β = .141, sig =.002). The weakest influence on the customers' satisfaction was the factor of Tangible (β = .123, sig =.017)

Relationship between customers' level of satisfaction and their repurchase intention

Table 7 shows the relationship between customer satisfaction and repurchase intention for the consumers at the supermarkets with the application of regression analysis. The results show that the effects of the customer satisfaction on the repurchase intention was statistically

significant (F = 93.317, $p=0.000$ < 0.05) and 23.8% of the overall repurchase intention variable was explained by the customers satisfaction.

Table 7. Relationship between respondents level of satisfaction and repurchase intention

Variables		Coefficients[a]	Std. Error	t	Sig
Dependent variable:	(Constant)	1.584	.169	9.383	.000
Repurchase intention	Satisfaction	.520	.054	9.660	.000
R Square		.238			
R		.488[a]			
Std. Error of the Estimate		.72818			
Durbin-Watson		1.638			
F		93.317		.000[a]	

Relationship between respondents' perception on service quality and repurchase intention

The regression analysis in table 8 below considers repurchase intention to be the dependent variable. The regression model was found to be statistically significant (F = 19.822, Sig = .000[a]) with 16,7% of overall repurchase intention was explained by the factors of service quality. The results of the regression analysis also indicated that the factors of Reliability (β =0.238, sig =.000), Empathy (β =0.190, sig =.001) and Tangible (β =0.238, sig =.001) illustrated statistically significant relationships with overall repurchase intention. The factor associated with assurance and responsiveness was rejected due to the value significance of coefficients is more than 0.05. The regression coefficients revealed that the factors of Tangible and Reliability were the strongest factors which had an effect on repurchase intention with β = .238, whereas the weakest influence on the repurchase intention was the factor on Empathy with the value of coefficient 0.190 and Sig. value .001.

Table 8. Relationship between respondents' perception on
service quality and repurchase intention

Variables		Coefficients[a]	Std. Error	t	Sig
	(Constant)	1.139	.270	4.220	.000
Dependent variable:	Tangible	.238	.071	3.375	.001
Repurchase intention	Reliability	.238	.066	3.623	.000
	Empathy	.190	.057	3.336	.001

R Square	.167	
R	.409[a]	
Std. Error of the Estimate	.76402	
F	19.822	.000[a]
Durbin-Watson	1.720	

SUMMARY OF FINDINGS

As regards to the profile of the respondents, the result shows that most customers who come to these supermarkets are female and they belong to the age bracket between 31-40. The majority of them earned bachelor's degree and can earn more than five million VND per month. Almost three-fourths (74.3%) of the respondents were married and more than half are residents of Thai Nguyen City.

1. The result of the study shows that the perception of customers to the service quality in selected supermarkets in Thai Nguyen city is proven to be acceptably fair wih overall mean score of 3.13. Specifically,

   - In terms of tangibility, customers acknowledge that appearance of employees in these supermarkets showed the best point (M = 3.94). Indicators relating to the equipments, physical facilities, and materials associated with the service such as posters, shopping bags remained underappreciated with mean value of less than 2.5.

   - As regards to the dimension of Reliability, the customers are highly satisfied with the commitment of the supermarkets to provide the service at the exact time as promised. However, they had poor perception on the transactions and records of sales which are expected to be error free.

   - For the responsiveness dimension, the willingness to give support to customers of the employees were highly appreciated with the mean score of 4.23. The supermarkets are rated to be quite responsive to give their customers prompt service.

   - When it comes to Assurance dimension, the perception of the customers on the knowledge of the supermarket employees to objectively answer their question and trust their answer to the customers is fairly high while the perception on whether they feel safe with their transactions made with the supermarkets were quite low.

   - As drawn from the dimension of Empathy, customers feel that the supermarket gives good enough attention to customers' interests and understand their needs and specific requirements.

2. The result of the study reveals that the mean score for customer satisfaction was 3.04. The most interesting indicator was that the majority of customers think they did the right thing in deciding to visit the same supermarket with the mean score of 3.95.

3. The respondents' repurchase intention, as indicated in the result of the study, is 3.16. The mean score for customers' commitment to maintain their purchase at the supermarket is 3.33 while the intention to prioritize the supermarket is 2.99.

4. In terms of tangibility, it is revealed from the study that there is a significant relationship between tangibles and the respondents' civil status and their residency while there is no significant relationship on the respondents' perception on tangibility when they are grouped according to their age, highest educational attainment and frequency of visit and gender.

5. There is a significant relationship between residency of respondents and their perception on responsiveness dimension. Moreover, the result shows that there is no significant relationship between responsiveness and the respondents' characteristics such as age, civil status, highest educational attainment, monthly income, frequency of visit, and their gender.

6. Concerning the Reliability and Assurance dimensions, the result of the study shows no differences on the perception of respondents on service quality when they are grouped according to age, gender, civil status, monthly income, educational attainment, frequency of visit and residency.

7. As for empathy, there exists a significant relationship between empathy and residency of respondents. However, there is no significant relationship that exists between empathy and the respondents' characteristics such as their age, civil status, highest educational attainment, monthly income, frequency of visit and gender.

8. The result further indicates that the respondents' level of satisfaction is significantly related to service quality dimensions such as tangible, reliability, responsiveness, assurance and empathy dimension of service quality.

9. The result reveals that there exists significant relationship between customers' level satisfaction and their repurchase intention.

10. The study shows that respondents' perception on reliability, empathy and tangible dimensions of service quality is significantly related to their repurchase intention. However, there exists no relationship between assurance and responsiveness and repurchase intention.

CONCLUSIONS

This study was aimed to examine the influence of perceived service quality on customer satisfaction and repurchase intention in three selected supermarkets in Thai Nguyen – Minh Cau I, Minh Cau II and HaproMart. Specifically, it sought to analyze the significant associations of respondents' characteristics on their perception of service quality, to examine the relationship that exists between service quality and customer satisfaction; service quality and repurchase intention; customer satisfaction and repurchase intention. Based on the objectives and findings of the study, the following conclusions are drawn:

- In terms of respondents 'demographic characteristics and their perceptions of service quality dimensions, it is of particular interest to find out that two demographic factors including civil status and residency have significant relationships with the tangibility, responsiveness and empathy dimensions of service quality. This information provides baseline data for customer segmentation, which is crucially important for the management of these supermarkets.

- The study has also confirmed the proposed hypotheses regarding positive relationships between perceptions of service quality and level of satisfaction, level of satisfaction and repurchase intention, and perceptions of service quality and repurchase intention. This is strongly supported by countless previous study such as Bitner (1990), Bei & Chiao (2001) and Thedorakis et al. (2001). The results from regression analysis indicated that among five dimensions of service quality, empathy exerted the strongest influence on the customer's satisfaction. The four other dimensions of tangibles, responsiveness, assurance and reliability were also significant in terms of customer satisfaction, among which tangibility showed the weakest influence. In addition, as regards to repurchase intention, the dimensions of Tangible and Reliability were the strongest factors, which have an effect on repurchase intention. The weakest influence on the repurchase intention was the factors on Empathy. The factor associated with assurance and responsiveness were rejected are due to the value significance of coefficients is more than 0.05.

- Among the individual service quality dimensions, responsiveness was regarded most favorably by the respondents in the study. This indicated that such indicators as the willingness to help customers and prompt service provided by employees in these supermarkets satisfied these respondents. In contrast, the dimension of tangibles was rated as the weakest dimension by the present respondents. This indicated less satisfaction with appearance of physical facilities, equipments, personnel, printed and visual materials in these supermarkets.

Generally, the provided service quality by the supermarkets has been shown to be fairly acceptable. Thus, the supermarkets need to realize that there are gaps between the services given to the customers with the customer's expectations of the service quality that they should receive. The need to make improvements is still important over time, in order to produce a much better service quality that will improve their repurchase intention.

RECOMMENDATIONS

In the light of the above summarized findings and conclusions of this study, the following recommendations are presented.

It is crucial for the supermarket's management to have a better understanding of the influence of service quality on customer satisfaction and in their repurchase intention. Hence, they should improve the quality of their services to customers according to the dimensions that have positive influence on customer satisfaction and intention to repurchase if they wish to enhance their customers' perceptions of retail service quality. Specifically, it is recommended that the supermarkets' management should give due attention to improve the following:

- The supermarkets' physical facilities should be visually appealing.
- Majority of supermarket customers are women with an earning capacity of more than five million VND a month. Hence, supermarket management should enhance their display or arrangement of goods to be women friendly in order to cater to the needs of these customers.
- The reliability dimension of service quality should be enhanced such that when the supermarket promises to do something by a certain time, they should fulfill it. Also, they should show sincere interest in solving customer problem whenever it arises. Furthermore, they should strive to perform their transactions accurately and avoid error as much as possible.
- The assurance dimension should be improved especially on matters of security in conducting transaction.

As for the supermarket customers, it is well advised for them to specify frequent comments and feedbacks on how they feel about the service quality of supermarkets resulting to more enjoyable and convenient shopping environment.

Regarding supermarket personnel, the crucially important construct in service delivery, it is suggestive for them to enhance service quality, especially on the empathy dimension such that employees give individual and personal attention to customers due to the fact that empathy was found to be the most influential factor to customer satisfaction.

It is further recommended that future researches will be conducted related to this field to facilitate comparability thus stimulating competition that will result to better service quality. It is expected that when service quality is improved, customer satisfaction will be enhanced. Thus, customers' intention of repurchase intention will be increased.

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