

Effects of Service Quality on Customer Loyalty and Word-of-Mouth: Analysis of Korean Retail Industry

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Abstract

Current measures of service quality including SERVQUAL do not adequately capture customers' perceptions of service quality for retail stores such as department or specialty stores. Therefore, the main objective of this study is to investigate the usefulness and applicability of the different methods including SERVQUAL in measuring the service quality of retail environment and their relationships to customer retention and word-of-mouth behavior. By exploring the suitability of each different measurement method of retail service quality, this study enhances the understanding of the major dimensions of retail service quality and the analysis of the effect of service quality on customer loyalty and word-of-mouth behavior. Managerial implications of the study are also discussed.