

The Impact of Service Quality on Customer Satisfaction, Service Value, and Store Loyalty in a University-Based Convenience Store*

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Abstract

Purpose - The purpose of this study is to investigate the impact of the service quality of a university-based convenience store on consumer satisfaction, service value, and customer loyalty.

Research design, data, and methodology - The questionnaire was developed by using the modified and supplementary questions based on the KD-SQS model. We used the SPSS/PC 18.0 and AMOS 18.0 statistical packages to analyze the results. For validating the research hypothesis and the structural relationship of the research model, path analysis was used.

Results - The overall results of this study are as follows. We found that benefits, promotion, and convenience had a significant impact on two variables: customer satisfaction and service value.

Conclusions - The basic benefits, promotions, and convenient facilities in the university-based convenience store have already received favorable reviews. Therefore, for improving customer satisfaction, it is important to improve the reliability of service, quality of human interaction, and customer service.

Keywords : Convenience Store, Service Quality, Service Value, Service Satisfaction, Store Loyalty.

JEL Classifications : D30, L81 M31.

1. Introduction

The domestic convenience market, with the beginning of 7-Eleven

No.1 store in May, 1989, has entered the era of reaching a record high as much as 20,000 stores just in full 4 years after 2007(Korea Association of Convenience Store, 2011). A convenience store(here in after, CVS) is well known for its high rate of successful start-up business and business safety, and its number has continuously increased due to the increase in demand for becoming a member of CVS for reason of small & medium owner-operators switch to CVS, and individual supermarket's switch to CVS, etc. In addition, with the competition between marketing areas in the existing residential area and commercial district continuing, a variety of marketing areas are being developed, increasing the demand for CVS start-up. Representatively, in 2008, 7-Eleven launched the park by obtaining the right to management of Han-gang Chain Headquarters, while in 2010, GS25 launched a military camp by obtaining the right to the post exchange in naval force, and in 2011, 7-Eleven began to open a store in a subway station of the Seoul Metro (The Seoul Economy, 2008; EBN Industrial News, 2011). Besides, in case of CVSs which found a store location in a college campus as a special location, they are expanded in the form of an outlet rather than franchising unlike the above cases. With the convenience store like intramural CVS and coffee bar, etc. finding a store location in the college campus, there has been a controversy over campus commercialization, but from the position of a school, such a facility supports the college development fund as a part of college competitiveness project and gives a school a fixed profit. In addition, to students, the facilities play a role in widening their choice at a differentiated service and price as CVS.

Today's CVS is selected by consumers as a major retail store which provides time convenience of 'Always Open', space convenience of its location at an easily accessible area, commodity convenience of treating broad line of goods with small quantity, and other living convenience services, etc. Particularly, in recent times, with the box lunch products which make it possible to have food at a reasonable price due to a continuous slump, or fresh food sale expanding, and with the development of private brand products (PB brand) by each company in active progress, and the increase in home meal replacement (HMR) consequent on the decrease in family members, product categories are expanding. In addition, while doing price-discount marketing, CVS is imprinting the idea that a discount store doesn't sell dear any more not only through '1+1' events but also year-round price discount items and daily-life items discount into consumers' mind; moreover, CVS is employing a diversity of strategies to secure loyal customers, such as introduction of social-commerce-link marketing through new customer securement, and development of customer communication using SNS(Social Networking

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Service), etc. In the circumstance where stores are attempting to change goods and services even in the intense competition triggered by rapidly increasing number of stores like this, the analysis of CVS-using consumers' satisfaction with the store service quality result could be very significant.

Generally, when consumers evaluate a retail store, they will evaluate not only the primary benefit, or a product but also store environment, employee's friendliness, convenience facility, available consumer protection policy or not, etc. complexly in diverse aspects. Particularly, distribution business is a representative service industry, and consumers' subjective response to what service they receive at the relevant store, or how they experience the process of service provision. Parasuraman et al. (1985) defined such a consumer evaluation as 'Service Quality', which is a customer's evaluation of the overall delivery process of services based on customers' judgment of a corporation's eminence or excellence. In addition, according to preceding research works, a retail store's service quality was found to have a significant influence on a distribution business's ultimate goal, or a customer's value creation, or store loyalty, so it can be said that the importance of customer evaluation of service quality begins to come to the fore because service quality can be improved by successful relationship between service organization and consumers using the relevant service (Parasuraman, et al., 1991; Siu & Cheung, 2001; Yi & Gong, 2005; Yoon & Suh, 2003).

The preceding research works on domestic CVS generally include the field of 'Simple measurement of satisfaction', Consumer perception & choice factor in CVS', Process of Spread of CVS, Location and Characteristic of commercial area, CVS Logistics Management; however, in the middle of the 2000s, the preceding studies had a research trend on CVS Franchising, and Franchiser's Franchise, CVS Visual Merchandising, Subway CVS Revitalization Scheme, and Specific one-day delivery products (Cho & Kim, 2010; Choi, 2009; Yoon, 2012; Kim & Kim, 2010; Kim, 2012; Lee, 2010; Lee, 2012; Lee et al., 2010; Lee & Park, 1995; Park, 2009; Min, 2009; Shim & Byun, 2012; Yoon, 2007; Yuh et al., 2010).

However, despite the growth trend of CVS development in the distribution market, the cases of the research on CVS, in comparison with the existing retail business conditions, are relatively very few, and particularly from the aspect of using CVS, the research which analyzed the service quality factor and customer behavior, and the research which dealt with consumers' service quality evaluation of CVS were very insufficient with only two pieces done by Kang et al. (2005) who attempted at developing the measuring tool of service convenience quality and Liu (2009) who compared CVS service quality in China. Particularly, in case of a special location, or subway CVS, there were preceding researches in progress, but the case of doing empirical research on analysis of intramural CVS is next to none. In the future, the competition between CVS markets will be much more intense due to the continuous progress in information, communications technology and endless development & expansion of goods and services; particularly, the intramural CVS has a merit of the stable commercial area which secured fixed consumers, or college students who spend the longest activity hours at school, or a limited space of a university, and the biggest characteristic of CVS at school

is the store management method of not adopting 'Always Open', an assortment of goods except for liquor and tobacco which account for about more than 40% of CVS sales, and clear distinction between peak season and off-season, etc. Like this, the intramural CVS is a commercial area assuming distinct characteristics, so there is the necessity of doing research on the measurement of service quality of the intramural CVS.

Hereupon, this study is going to draw the development direction of the CVS, which found a store location in the college campus by grasping how the consumers evaluate the service provided by the CVSs which found a store location in school premises, and what sort of service quality factor the consumers think of as important to help the ever-increasing intramural CVSs since the middle of the 2000s to do effective management through the analysis of service quality evaluation of and satisfaction with the service of the intramural CVS.

2. Theoretical Background

2.1. General Status of CVS

The CVS, as the form of a chain store which was generated and developed in advanced countries, such as the US and Japan, etc., is located at a convenient place to general customers for their easy accessibility, and the CVS is a new store format running 'Always Open' while adopting the form of self-service sales method with focus on daily necessities limited to 2,500-3,000 pieces (Berman & Evans, 1989).

The characteristics of CVS include time & space convenience, handling of small quantity batch sales-based brand items enjoying high awareness, and purchasing convenience, etc. First, the time convenience means that potential customers can purchase at any time without regard to time, today's CVS makes it a principle to do business around the clock. Second, locational convenience means that potential customers can easily have access to the store in the relevant commercial area, and people open a store by thinking of traffic volume and easy accessibility to a store as important. Third, convenience of commodities means a wide assortment of products to meet people's smooth life as a consumer. Often, due to small space of CVS, they arrange an adequate assortment of products whose merchandise turnover is high for consumers to buy a variety of goods as they want. Fourth, purchasing convenience means the one which makes it possible for customers who enter the relevant store to rapidly buy products in a comfortable atmosphere. The purchasing convenience also includes a stable store atmosphere, reduction in purchasing time-through well-arranged display of items, and store clerk's friendly manner, etc. In addition, CVS has a goal of achieving the economy of scale with chain store operation through franchising in order to diversify tremendous investment costs consequent on placement of logistics facilities and development of information system (POS, EDI, EOS) its initial period of store opening, and for this purpose CVS headquarters opens outlet stores, but sometimes expands the number of stores by inviting franchising.

Sorts of CVS include major brand CVS like CU, GS25, 7-Eleven

which are linked to franchise headquarters and franchising, and independent brand CVS like IGA, Sun-mart, WITHME. In case of major brand CVS, it has the merit of high brand awareness and smooth store management is done through the headquarters' support, but there exist some demerits such as high royalty, headquarters' pressure on item composition, excessive penalty for breach of contract, indiscriminate store opening, etc. On the contrary, in case of independent CVS, its merits include autonomy in store management, gross profits belonging to a founder, and no forcible regulations like 'Always Open.' In recent times, this form of CVS is getting attention, but there remains a weakness in low function of data processing and logistics system because their funding ability and distribution process somewhat fall behind a large corporation.

In case of CVS which is located at a special commercial area, it has a distinctive point in limited numbers of consumers, its running hours and an assortment of commodities unlike general commercial areas. Particularly, in case of the brand CVS which found a store location in school premises, with the beginning of MINISTOP finding a store location in Korea University in 2003, 50 7-Eleven's, 46 CU's, and 10 GS's as of 2012 are being managed. The intramural CVS has a merit as a commercial area securing a fixed consumer base of college students in a limited space of school. In addition, unlike other brand CVS's, the biggest characteristic of the intramural CVS doesn't run a store around the clock, nor does it carry liquor and tobacco which account for about 40% of the CVS sales, but it is a distribution commercial area having a distinctive characteristic, such as high sales volume of stationery and fresh foods, and peak season and off-season are distinct due to school vacation.

2.2. Service Quality

Service quality is a sort of evaluation of an attitude, and it can be defined as customer's evaluation of the overall delivery process of services based on customers' judgment of a corporation's eminence or excellence (Hellier et al., 2003; Parasuraman et al., 1985; Zeithaml, 1987). In addition, a consumer-perceived service quality factors are the set of service attributes which are finally chosen and service quality is decided by the consumers using the relevant service (Kim & Kim, 2010 & Kim, 2010). As a measuring tool used for evaluating such a service quality, there is SERVQUAL model which was made on the theoretical basis of Oliver (1980)'s expectation-performance disconfirmation model. The relevant model is comprised of the composition aspects of tangibility, reliability responsiveness, assurance, and empathy, and this tool has been used as the most representative tool for measuring service quality all over the world (Parasuraman, et al., 1985, 1991).

However, looking into application cases of several preceding research works, SERVQUAL model lacks validity in distribution service quality measurement aspects, and there exists an ambiguous part an interpretational level. Particularly, it comes under criticism that its composition aspects are superimposed and ambiguous, making it hard to provide implications, which is thought to try to evaluate both procedural aspect and resultant aspect of service, and the items on reliability and assurance are judged to have the possibility of being con-

fused at the time of making a response (Kwak et al., 2009). In addition, based on the preceding research, SERVQUAL measurement model has not been applied to retailing successfully (Dabholkar et al., 1996).

RSQS model (Retail Service Quality Scale model) is a measuring tool used for retail store service quality. SERVQUAL was applied to retail store environment, its validity wasn't acknowledged in the preceding research, and the necessity of a mode suited for a retail store was raised (Finn & Lamb, 1991; Carman, 1990). The relevant model was developed through the process of developing 28 measurement items by combining the existing 17 items with 11 items which was drawn by using triangulation of research techniques in an effort to widen insight into the important factor in customers' evaluation of the relevant retail store they are using, and conducting an empirical analysis of 7 stores in two department stores in the US. As a result, RSQS Model came to have a hierarchical structure consisting of a total of 5 basic aspects including physical aspects, policy, problem solving, person interaction, and reliability and 3 sub-aspects (Dabholkar et al., 1996; Rho & Suh, 2008).

RSQS Model was verified its effectiveness in retail business through the research at home and abroad. Even in the research by Ji and Lee(2009) proved that the RSQS Model consisting of 5 aspects, such as physical aspects, reliability, personal interaction, problem solving and policy, etc. targeting the department store customers was showing higher fit points than SERVQUAL Model. Afterwards, as a retailing service model, Rho and Suh (2008) developed KD-SQS(Korean-Type Discount-Store Service Quality Scale) by refining and doing factor analysis of the measurement items for RSQS service quality. KD-SQS Model is a measurement scale suited for the actual conditions of domestic retail stress it modeled after Korean discount store service quality measurement model comprising 29 measurement items and the existing 6 aspects of RSQS Model, Rho and Suh named 6 measurement items, such as 'physical aspects, policy, personal interaction, primary benefit, promotion, and additional convenience, and the KD-SQS has been evaluated as the measurement scales suited for the actual condition of domestic retail stores(Rho & Suh, 2008).

2.3. Service Satisfaction

Generally, satisfaction has been known to be a result from the comparison of a customer's expectations for a product or service with actual experience (Oliver, 1980). Such an inconsistent paradigm led the researchers into the situation in earlier research where they did research by perceiving satisfaction as an composition concept and putting focus on simply an cognitive aspect, but afterwards, researchers have conducted more in-depth study by multi-dimensional composition concept including emotional elements, such as feelings or strong impressions, etc. together with integrated cognitive composition elements related to expectations or belief in a product (Choi, 2009). Since then, the characteristic of the comparison of expectations with outcome in service quality has been used as a basic concept of service quality SERVQUAL Model (Yi, 2010).

Oliver (1980) presented his idea that whether a consumer is satisfied or not had an influence on intentions to re-visit and repurchase

intentions, let alone positive attitude formation, and Lee and Cunningham (2001) argued that customer satisfaction creates their increase in corporate profits, and the decrease in customer acquisition cost and maintenance cost in re-purchase, and enhances rival companies' competition cost. According to Fornell (1992) the benefits which a company having high customer satisfaction include the existing customers' improvement in their loyalty, decrease in price sensitivity, prevention of the existing customers' breakaway, decrease in marketing failure cost, decrease in new accounts creation cost, and effect of improvement in corporate reputation, etc. Customer satisfaction is divided into general satisfaction and customer satisfaction unique to transactions (Anderson et al., 1994).

However, in recent times, satisfaction has been used as an accumulated satisfaction concept by adding to satisfaction with and price of a specific product and service, sales promotion, and physical facilities, etc. rather than customer satisfaction unique to transactions, which is a temporary and of emotion from evaluation unique to contact point.

2.4. Service Value

Service value means a consumer-expected profits or benefit through goods and services, which work as a more important factor in determining their purchase than a price (Zeithaml, 1987; Zeithaml & Bitner, 1996). In addition, it also means customers' general evaluation of the service utility a customer gives and takes, and relationship with expectation inconsistency and also means the evaluation of product or service utility based on a consumer's perception, which can be approached as the comparison viewpoint of service value as a paid price for general service quality (Bieger et al., 2007; Lee, 2012).

2.5. Store Loyalty

Store loyalty is defined as the intentions to re-purchase a specific product or service at a point of the future, but a true loyalty is a function of inertia regardless of the commitment level, and it's a concept contrasted with the simple spurious loyalty of repurchasing a brand, and a behavioral response in the process of evaluation adding up to commitment. Such a true loyalty can be found from true customer satisfaction. Auh and Johnson (2005) defined store loyalty as the possibility or tendency of repurchasing a specific product or service. Like this, store loyalty is a direct result of customer satisfaction, and customer satisfaction plays a role as an essential catalyst for developing loyalty. In the research by Cho and Lim (1999), and La (2009), their approach to research on loyalty is divided roughly into three sorts, such as behavioral approach, attitudinal approach, and integrated approach. First, there is a behavioral-theory-based approach which argues that only behavior speaks for brand loyalty, or loyalty is the behavior of avoiding the information search of other brands. Second, there is an attitudinal approach which measures the store loyalty using the preference for and psychological commitment to a specific store, and intentions to re-use (Jeon et al., 2009). Some research works look upon store loyalty as a favorable attitude towards a spe-

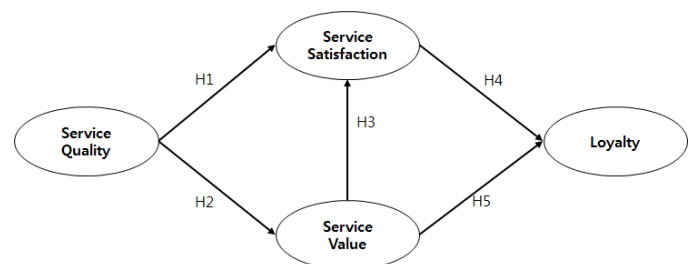
cific store by imposing an attitudinal aspect, and also grasp its meaning as intentions to purchase, or purchasing likelihood in the future (Oh, 1995). Third, there is an integrated approach which encompassing both behavioral views and attitudinal views on loyalty (Ji & Lee, 2009). This integrated approach argues that it's necessary to consider two concepts of both a consumer's repeated purchase behavior and favorable attitude in order to properly measure store loyalty (Dick & Basu, 1994). In this era, loyalty retention in retail business is a major factor in securing the continuous competitive edge (Levy & Weitz, 2002). The fact that the strategy for inducing the existing customer through the enhancement of customer loyalty is more efficient and effective in fulfilling target profits than the new customer inducement strategy is proved in its effectiveness (Kotler & Keller, 2008). Besides, looking into several research works on store loyalty, they suggested that besides service quality attributes, demographical characteristics, such as age, income level, education background and perception of purchasing risk, and store image, etc. are the influential factors on store loyalty; besides, there also appeared the research arguing that store loyalty is determined by combination of switching barriers (Cho & Lim, 1999; Dash et al., 1976; Fornell, 1992; Enis & Paul, 1970; Samli & Sirgy, 1981).

3. Research Design

3.1 Research Model and Hypotheses

This study drew the research model as follows:

This study set up its research model based on the preceding research. Service quality is divided into primary benefit, promotion, reliability, personal interaction, physical aspects, policy, and additional convenience. Looking at the preceding research from an integrated perspective, service quality as an intrinsic path of CVS store loyalty has a positive effect on long-term performance, which can be interpreted as the fact that service quality, together with service value raises a customer's behavioral loyalty, becoming a basis of a guarantee of profits in a long-term view. Such a fact explains that it's possible for the path model for store loyalty, on the basis of satisfaction factor and service value out of service quality factors felt by customers, to be established. Based on the above-mentioned existing research examination,



< Figure 1 > Research Model

3.2. Research Hypotheses

3.2.1. Influence of Service Quality on Service Satisfaction

Service quality has an influence on service satisfaction and intentions to purchase (Cronin & Taylor, 1992). Anderson et al. (1994) said that service satisfaction is influenced by expectations and quality; in addition, Brady and Cronin (2002) said that service quality has an influence on service satisfaction and intentions to purchase. There have been somewhat controversial issues about preceding following relationship establishment between service quality and service satisfaction, but generally, service quality is accepted as a preceding variable of customer satisfaction, and "service quality→customer satisfaction→behavioral intention path" is accepted as the most suitable path (Lee & Ra, 2003). Accordingly, this study set up the hypotheses as follows:

H1: CVS Store Service Quality will have a positive influence on Service Satisfaction.

3.2.2. Influence of Service Quality on Service Value

Service Value to be perceived by a customer could be affected by service quality and price, the majority of research works are suggesting a positive relations between service quality and service value (Chang & Wildt, 1994; Dodds et al., 1999). In addition, Perceived service quality has a significant influence on service value (Grewal, 1988; Zeithaml, 1998). Accordingly, this study set up the hypothesis as follows:

H2: CVS store Service Quality will have a positive effect on Service Value.

3.2.3. Influence of Service Value on Service Satisfaction

Woodside et al.(1989) argued for 'the factors that affect on consumer satisfaction and dissatisfaction is include as well as the benefits to get from shopping itself and the monetary cost and non-monetary one with sacrificing for shopping to get the benefits' with the actual shopping situation. Lee and Kim (1999) empirical study was suggested that conceptualizing the content was the worth is the perceived quality of the offsetting effect to obtain with regard to its cost. In other words, service quality experienced by consumers must have the relative cost and customers will feels that satisfied and dissatisfied with trade-off the benefits per cost (Lee et al., 1999). Accordingly, this study set up the hypothesis as follows:

H3: Service Value will have a positive effect on Service Satisfaction

3.2.4. Influence of Service Satisfaction on Store Loyalty

Store loyalty is greatly influenced by service satisfaction (Bloemer & Ruyter,1998). Satisfied customers have a will to pay more for the benefit they can get, and allow price increase a lot more, which means high profits and store loyalty (Reichheld & Sasser, 1990). Cho (2002) measured the variables having an influence on store loyalty from a multi-dimensional viewpoint, and as a result, he made it clear that service satisfaction has a positive effect on store loyalty.

Accordingly, this study set up the hypothesis as follows:

H4: Service Satisfaction will have a positive effect on Store Loyalty.

3.2.5. Influence of Service Value on Store Loyalty

Service value is connected the perception of the consumer who received Benefits in return for the consumers cost, money, time and so on (Zeithaml et al., 1996). Julie et al. (2002) make a comparative studied for how to environmental service quality factors(related on store services such as physical and Human Services and so on) is effect on the perceived value of the customer through parameter with shopping experience cost or how to they affect the perceived value to the customer's store loyalty. Experienced study with Bolton & Drew (1991) ever studied Influence of Service Value on Store Loyalty was that 'the Service value as Survey results the existence of a direct causal relationship between customer loyalty and the perception of fairness (Compare to lose to get as shown)' is Service value has a direct impact on customer loyalty (Cho, 2012; Lee, 2006; Yang & Joo, 2012). Accordingly, this study set up the hypothesis as follows:

H5: Service Value will have a positive effect on Store Loyalty

3.3. Research Design

3.3.1. Research Subjects and Method of Data Collection

This study conducted a survey of 240 male and female college students attending the university located in Gyeonggi-do and Seoul, and confined the customers who spent more than 10 thousand won at CVS recently for a month as its subjects and got them to respond to the structured questionnaire.

3.3.2. Research Tool & Research Content

The measuring tool used by this study is a questionnaire which was created by modifying some to meet each variable based on the existing research, and consists of question items requiring respondents to fill it in a self-administrated method. The composition of the questionnaire includes the items for measuring demographic variables (age, gender, school year, etc.), CVS service quality (primary benefit, promotion, reliability, personal interaction, physical aspects, policy and additional convenience, etc.), service value, service satisfaction, degree of store openings.

4. Research Result

4.1. General Characteristics of Sample

The gender distribution of the respondents used in this study was 42.9% for female and 57.1% for men, showing a lot more number of men than women. By age, those less than 19 accounted for 44.6%; those between the ages of 19~20 accounted for 20.9%; those between the ages of 20~21 accounted for 10.8% and those who were between the ages of 21~22 accounted 9.5% and those who were aged between

22 and 23 accounted for 9.5% and those whose age was more than 24 accounted for 3.8%, and no response accounted for 1.4%. To the question about satisfaction with their campus life, 70.3% answered, Satisfied, and 29.1% responded in the negative. In addition, to the question about CVS visit frequency, 18.2% said, less than one time; 53.4% responded, Two or three time; 23.6% said, 4~5 times, and more than 4.1% said, more than 6 times. To the question about the reason for visiting CVS, the most 60.1% said, "For food"; 35.1% said, "Buying snacks"; 4.1% said, "for other things", and 0.7% showed no response.

4.2. Reliability in Variables and Validity Analysis

4.2.1. Analysis of Validity & Reliability

In an effort to verify the validity and reliability of the research units, this study verified the convergent validity and discriminant validity between individual research units through confirmatory factor analysis. As a result of conducting analysis of the primary benefit, promotion, reliability, personal interaction, physical aspects, policy and service value in the process of confirmatory factor analysis after eradicating the variables whose standardized regression weights were low, it was found that $\chi^2 = 494.915$, $df = 358$, $p = .000$, $\chi^2/DF = 1.382$, $NFI = .830$, $IFI = .933$, $CFI = .945$, $RMSEA = .051$, indicating no problem in judging fit index in general. Also, it was found that there

<Table 1> Result of Confirmatory Factor Analysis

Structural factor	Measurement Variable	Standardized regression weights	T-value	AVE	C.R
Primary Benefit	Intramural CVC is equipped with wide assortments of commodities.	-	-	.505	.753
	Intramural CVC sells items comparatively cheaply.	-	-		
	Intramural CVC is equipped with good quality products in general	.771	10.686		
	Intramural CVC carries a lot of low-priced, good quality private label(PL).	.673	8.945		
	Intramural CVC I visited met my desires.	.688	9.202		
Promotion	Intramural CVC hosts a variety of sales promotion events.	.919	8.759	.826	.932
	Intramural CVC holds a lot of amusing events.	-	-		
	Intramural CVC has a lot of event corners.	.559	6.438		
	Intramural CVC carries a lot of items attracting my attention.	.884	8.346		
Reliability	Purchasing an items at Intramural CVC is trustworthy.	.804	10.830	.504	.784
	Intramural CVC keeps promises nicely until the set time.	.712	9.275		
	Intramural CVC is not out of stock for the item all the time I am looking for.	-	-		
	Intramural CVC rarely makes a mistake in their checkout process.	-	-		
	Most of the items carried by Intramural CVC are consistent with their price mark.	-	-		
	Intramural CVC accurately manages all records related to transactions, so it's possible to check if necessary.	.547	6.680		
Personal Interaction	The employees at Intramural CVC are equipped with adequate knowledge to answer the question.	.687	8.926	.664	.854
	Employees' behavior at Intramural CVC gives confidence to a customer.	.901	12.755		
	Employees at Intramural CVC rapidly respond to a customer's needs.	-	-		
	Employees at Intramural CVC are friendly with customers.	.759	10.139		
	Employees at Intramural CVC give a personalized interest in a customer.	-	-		
Physical Aspects	Employees at Intramural CVC show a serious interest in solving problems facing a customer.	-	-	.605	.820
	Intramural CVC is equipped with a modern building and facilities.	-	-		
	The facade of Intramural CVC is easily found even from a distance.	-	-		
	The wall design, public notices, and item marking boards at intramural CVS are colorful and conspicuous.	-	-		
	In-store floor plan of Intramural CVC is made for customers to easily travel.	.704	9.370		
Policy	Space arrangement for items and office supplies of Intramural CVC is made easy to find.	.893	13.155	.569	.786
	Intramural CVC displays items on the shelves for a customers to easily to find the items they want.	.817	11.544		
	Intramural CVC willingly exchanges or refunds.	.424	5.004		
	Intramural CVC solves a customer's complaints by managing its customer satisfaction center.	.849	11.599		
	Intramural CVC adopts diverse reliable compensation policies.	.820	11.092		
Additional Convenience	Intramural CVC provides a point card that can accumulate mileages, which is really helpful to me.	-	-	.627	.796
	Intramural CVC is running business hours comfortable for a customer to do shopping.	-	-		
	Intramural CVC is well equipped with public convenience facilities.	.793	10.966		
Service Value	Intramural CVC is well equipped with resting facilities.	.739	9.931	.805	.925
	Intramural CVC is well equipped with a variety of facilities for food and drink.	.841	11.918		
	The amounts paid to Intramural CVC worth the price.	.849	12.544		
	Considering the prices of items at Intramural CVC, they are worth the price.	.919	14.231		
	There exists more success value comparing with the amounts paid to Intramural CVC.	.884	13.366		
Service Satisfaction	Intramural CVC carries a lot of low-priced, good quality private label(PL).	-	-	.729	.889
	By visiting Intramural CVC, I achieved my purpose I had.	-	-		
	I am satisfied with the use of Intramural CVC.	.844	12.408		
	I am satisfied with the service offered by Intramural CVC.	.914	14.111		
Loyalty	I am satisfied with the items carried by Intramural CVC.	.824	12.000	.511	.739
	I will use the intramural CVS if I need some things.	.736	9.623		
	I will continuously use the intramural CVS.	.748	9.730		
	I will use the intramural CVS even if its prices rise or other CVS comes up near school.	.658	8.261		

$\chi^2 = 494.915$, $df = 358$, $p = .000$, $\chi^2/DF = 1.382$, $NFI = .830$, $IFI = .933$, $CFI = .945$, $RMSEA = .051$

<Table 2> Result of Correlation Analysis

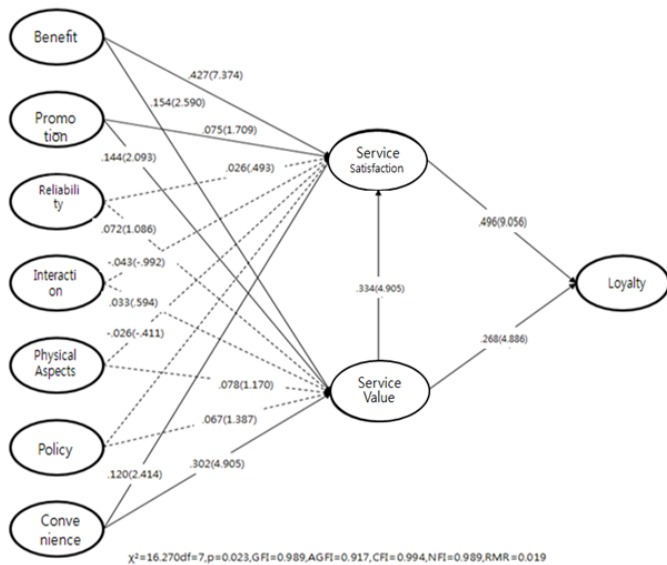
	Primary Benefit	Promotion	Reliability	Personal Interaction	Physical Aspects	Policy	Additional Convenience	Service Value	Service Satisfaction	Loyalty
Primary Benefit	1.000									
Promotion	.440	1.000								
Reliability	.711	.337	1.000							
Personal Interaction	.465	.343	.338	1.000						
Physical Aspects	.566	.244	.497	.410	1.000					
Policy	.421	.455	.397	.516	.526	1.000				
Additional Convenience	.472	.396	.456	.351	.612	.478	1.000			
Service Value	.489	.406	.435	.339	.458	.405	.545	1.000		
Service Satisfaction	.694	.465	.556	.371	.495	.450	.549	.652	1.000	
Loyalty	.537	.418	.463	.311	.445	.408	.520	.591	.671	1.000
Average	2.459	1.437	2.723	2.410	2.631	2.146	2.273	2.056	2.367	2.405
Standard Deviation	.817	.531	.787	.782	.960	.728	.993	.856	.938	.867
AVE	.505	.826	.504	.664	.605	.569	.627	.805	.729	.511
C.R	.753	.932	.784	.854	.820	.786	.796	.925	.889	.739

was no problem in average variance extracted and reliability by each factor. Through this, this study could confirm that convergent validity and construct validity were secure.

In order to confirm the predictive validity and construct validity, this study confirmed the relationship between correlation matrix and AVE. The value of multiple correlation coefficient (r²) in each factor's AVE value is small, which explains the securement of discriminant validity between factors.

4.3. Testing of Research Hypotheses

4.3.1. Analysis of Research Model



<Figure 2> Result of Path Analysis

In order to test the research model suggested by this research, the study conducted the path analysis using AMOS 18.0. For the path

analysis, this study used simple average value due to too many variables comprising each research unit. As a result of doing analysis of the research model, goodness of fit, as shown in <Figure 2>, was found to be χ² = 16.270, df = 7, p = 0.023, GFI = 0.989, AGFI = 0.917, CFI = 0.994, NFI = 0.989, RMR = 0.019. In addition, The explanatory power are explained by exogenous variables were found to be .395(39.5%) in service value; .632 (63.2%) in service satisfaction, and .491(49.1%) in loyalty, respectively.

4.3.2. Verification of Research Hypotheses

The analysis result of the hypotheses about the relationship between research units used for this research is the same as <Table 3>.

<Table 3> Adoption of Research Hypotheses

Hypotheses	Path	Standardized Coefficients	T-Value	Results
Quality & Satisfaction				
H1-1	Benefit → Satisfaction	.427	7.374***	supported
H1-2	Promotion → Satisfaction	.075	1.709*	supported
H1-3	Reliability → Satisfaction	.026	.493	rejection
H1-4	Interaction → Satisfaction	-.043	-.992	rejection
H1-5	Physical Aspects → Satisfaction	-.021	-.411	rejection
H1-6	Policy → Satisfaction	.067	1.387	rejection
H1-7	Convenience → Satisfaction	.120	2.414**	supported
Quality & Value				
H2-1	Benefit → Value	.154	2.590**	supported
H2-2	Promotion → Value	.144	2.093**	supported
H2-3	Reliability → Value	.072	1.086	rejection
H2-4	Interaction → Value	.033	.594	rejection
H2-5	Physical Aspects → Value	.078	1.17	rejection
H2-6	Policy → Value	.044	.709	rejection
H2-7	Convenience → Value	.302	4.905***	supported
Value & Satisfaction	Service Value → Satisfaction	.334	7.352***	supported

H3				
Satisfaction & Loyalty H4	Satisfaction → Loyalty	.496	9.056***	supported
Value & Loyalty H5	Service Value → Loyalty	.268	4.886***	supported
SMC(R ²)				
	Value	.395		
	Satisfaction	.632		
	Loyalty	.491		
	χ ²	16.27		
	df	7		
	p	0.023		

χ²=16.270 df=7, p=0.023, GFI=0.989, AGFI=0.917, CFI=0.994, NFI=0.989, RMR=0.019
 *<0.1, ** p<.05, *** p<.01

4.3.2.1. Relationship between Service Quality, Service satisfaction, Service Value

H1 and H2 explain the service quality including benefit, promotion, reliability, personalinteraction, physical aspects, policy, and the relationship between convenience, service value and service satisfaction. As a result of doing analysis, it was found that benefit had a significant influence on service satisfaction(path coefficient=.427, t-value=7.374, p<.01) and service value(path coefficient=.154, t-value=2.590, p<.05); promotion had a significant influence on service satisfaction(path coefficient=.075, t-value=1.709, p<.1) and service value(path coefficient=.120, t-value=2.093, p<.05); inaddition, convenience had a significant influence on service satisfaction (path coefficient=.144, t-value=2.414, p<.05) and service value(path coefficient=.302, t-value 4.905, p<.01). Accordingly, H1-1, H1-2, H1-7, H2-1, H2-2, H2-7 were adopted.

4.3.2.2. Relationship between Service Value, Service Satisfaction

H3 explain the relationship between service value, service satisfaction. As a result of analysis, it was found that service value had a significant influence on service satisfaction (path coefficient=.334, t-value=7.352, p<.01). Accordingly, H3 was adopted.

4.3.2.3. Relationship between Service Value, Service Satisfaction and Loyalty

H4 and H5 explain the relationship between service value, service satisfaction and loyalty. As a result of analysis, it was found that service value had a significant influence on service satisfaction (path coefficient=.496, t-value=9.056, p<.01), service satisfaction value (path coefficient=.268, t-value=4.886, p<.01) and loyalty. Accordingly, H4 and H5 were all adopted.

4.3.3. Verification of Mediated Effect

The analysis result of mediated effect about service value and satisfaction from influence of Service Quality on Store Loyalty<Table 4>. Primary benefit (.297, T=.279), Promotion (.099, T=.099), additional Convenience (.191, T=.191) of service quality had a significant influence on indirect effect through service value, service satisfaction on loyalty. Service value had a significant influence on indirect effect (.166, T=.433) through direct effect (.268 T=.433), service on loyalty, service satisfaction had a significant influence on direct effect (.496, T=.496) on loyalty.

<Table 4> Effect Coefficient of Variables

	Direct effect	Indirect effect	Total effect
Construct	Loyalty	Loyalty	Loyalty
Primary Benefit	.000	.297***	.279**
Promotion	.000	.099**	.099**
Reliability	.000	.044	.044
Personal Interaction	.000	-.007	-.007
Physical Aspects	.000	.023	.023
Policy	.000	.052	.052
Additional Convenience	.000	.191***	.191**
Service Value	.268**	.166***	.433**
service satisfaction	.496**	.000	.496**

** p<.05, *** p<.01

5. Conclusion

This study, targeting the intramural CVS, empirically analyzed the influence of CVS service quality on service value, service satisfaction, and store loyalty. The results of the major research through empirical analysis are as follows:

First, it was found that benefits (427, p<.01), promotion (075, p<.01), and convenience (120, p<.05)had a significant influence on service satisfaction. This suggests that it's necessary to expand CVS service satisfaction by expanding convenience through the equipment of supplies related to economic benefits and school life due to students' facing the time limit, during which they have to purchase supplies in the middle of class together with their economic limit. Second,benefits (.154, P<.05), promotion (.144, P<.05), and convenience (.302, P<.01) were found to have a significant influence on service value. This suggests that there exist some limits to physical aspects, personal interaction, and policy due to the distinct characteristic, i.e. a convenience store in the premises of the college campus, and CVS service value is importantly considered in the light of the aspects, such as students' direct economic saving because of a status as a student, and availability of purchasing articles which are carried by other general CVS.

On the basis of the above results, this study is making suggestions for intramural CVS's developmental direction as follows the intramural CVS's exist in great number already, signaling an intense competitive aspectfrom now on. In addition, if a cooperative society or one brand had found a store location in the college campus, there would have been the majority of brands in the campus according to schools. In the midst of such a competitive system, the authority over the location actually belongs to the school authorities, so intramural CVS is advised to set up their marketing policy to meet students and school sentiment other than the outside marketing strategies. At this point, intramural CVS should consider what sort of benefits should be given to students, and even when setting up a plan for a sales promotion, it's advisable to conceive a promotion in order to be more effective, which can give direct benefits to students rather than adhering to on-ly amusing promotion. In addition, it might be effective to conceive a promotion of the products related to food in consideration of the fact that students visit CVS to look for food replacements. In this

context, if CVS could equip itself with a place for dining, students' cognitive value and satisfaction might be go up.

This study thinks that this research has a significant in that it attempted to integrate the service quality concept into the intramural CVS, and particularly, it raised the necessity of revitalizing the intramural CVS. Further, this study, for the first time in the research on CVS in Korea, did analysis of service quality on the basis of KD-SQS which was developed on the retail business service quality evaluation scale-RSQS, by getting away from the research on the existing service quality. In addition, it also has a significance in that this study, together with service quality, did research on the relationship between service satisfaction, service value and store loyalty, and established the relationship of more minute, multi-dimensional loyalty path model. However, somewhat insufficient numbers of samples are pointed out as the limit of this research. Moreover, this study failed to consider regional deviation. It is hoped that should the relevant research be expanded into the one on a college and general CVS by making up for the above mentioned shortcomings, there will be a more meaningful result regarding CVS service quality.

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