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KD-SQS Service Quality in Discount-Based Retail: Service Guarantee Adjustment Effect, Service Value, and Store Loyalty*

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Abstract

Purpose - This study focuses on "large-scale marts," which is a typical discount-based retail channel (hereinafter, DRC), and provides practical managerial implications by applying the KD-SQS service quality factor based on customers' experiential perspective by developing and applying existing service measures.

Research design, data, and methodology - The research subjects include adults who have experienced "large-scale marts." The research involved SPSS 20.0 and AMOS 19.0 packages; path analysis is used to analyze structural relationships.

Results - First, physical aspects, human interaction, and additional convenience aspects of service quality have statistically significant influence on service value. Second, physical aspects, human interaction, and policy have statistically influence on store loyalty. Third, service value influences store loyalty. Fourth, service guarantee adjusts the relationship between service quality, service value, and store loyalty in terms of human interaction and policy.

Conclusion - Among service quality measures, improving service value through personal service needs to be prioritized, while we need to develop different methods for the service guarantee system to effectively influence service value and store loyalty.

Keywords: Retail Channel, Service Quality, Service Value, Service Guarantee, Store Loyalty.

JEL Classifications: M31, L81, L84, K23.

1. Introduction

Due to the large-scale of DRC(discount-based retail channel)emerged since early 1990s, a priority was given to the shopping style with reasonability and convenience. And due to the environmental changes including increase of car owning, large scale distribution industry like 'large scale marts' have rapidly grown. In this circumstance, the specialties of each discount-based retail channel like generality of their dealing products provide various kinds of services, apply the department type of organization, and also supply the function of culture and recreation. Especially, discounting stores today deal with variety kind of goods and have separated departments for controlling and facilitating the dealing of goods. And based on that, they furnish variety type of products in terms of quality and price in each department. In addition, large-scale DRC has been making efforts to raise 'service quality', in order to raise customer loyalty by trying to obtain new customers and sustain the existing ones and in order to achieve target profit by differentiating service quality. This is a necessary approach for raising competitiveness, which must be chosen in severe competing situations in the mature phase. and It means that it is a time to develop coping measures. So, it was needed to provide a marketing framework for marketing practitioners in marketing fields without much deviating from the specialties of the industry as shown by this research. Further, it was needed to provide practical managerial indications by developing and measuring service standards based on experiential views of customers in order to raise service quality.

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This thesis referred to the background of Literary Research in "The Impact of Service Quality on Customer Satisfaction, Service Value, and Store Loyalty in a University-Based Convenience Store" which was recorded by the author in 2013.

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2. Theoretical Background

2.1. General Overview of Large Scale Marts

Domestic distribution market has witnessed a rapid growth since its establishment in 1996 mainly due to the growth of large distribution companies(Kim et al., 2014).

generally, large scale of distribution companies, so called 'Large scale Marts' as known to customers, maintains lower price policy than other general retail stores, and use a lot of self-service tactics to increase goods turnover ratio. And they secure large parking plaza for customers' convenience. Customers use shopping carts for buying goods of necessaries, packaged foods and beverages, stationary, and other merchandises by packages of boxes, and pay money at counter. Large scale Marts account for a stream of retail industry, playing the important marketing activities at the head section in distribution path as a distributing organization selling goods and service to final customers. so, Large scale mart as a type of retail industry is a concept involving discounting stores. It can be defined as large scale stores which sell goods at lower price than usual market prices which are paid in retail stores(Kim, 2014). In terms of competitiveness, it can reduce cost for promotion, advertisement, and sale management, as well as cost for interior installation by using warehouse type building, cost for labors through self-service policy, and decrease unit cost of purchase by bulk purchase, which result in selling goods at remarkably discounted prices. Meanwhile, from 1990 to 2002, retail industry has rapidly grown by 9% a year along with fast growth of large marts(1996-2003, annual average 9.9% growth). However, since 2003, large scale marts have came close to saturation, and fast decline of small shops and traditional markets was caused(KORCHAM, 2007). So far, growth rate of distribution industry in general has been in continuous stagnation, and structure of distribution industry is going into saturated competing relationship between different types. Particularly, growth in the domestic industry tends to decline little by little. It means that over-heated competition has been strengthened in the over-saturated situation. From that point of view, competing structure within the industry for control of market is prospected to continuously become severe between domestic large scale marts.

2.2. Service Quality

Many researchers defined service of their own, however, most of them focused on exchange concept of service in the market and they mentioned little about the core concept of service(Kim, 2013). Service quality refers to a kind of evaluation similar to attitude, and customers' judge on a company's superiority or excellence, and can be defined as evaluation by customers about service delivery process in general(Hellier et al., 2003; Parasuraman, et al., 1985; Zeithaml, 1987). Service quality factor perceived by customers is a collection of service attributes which customers finally choose, and it is determined by perception of the customers who use the services. The measurement tool for evaluating service quality includes the SERVQUAL model which was made by Oliver (1980) on the theoretical base of expectation-performance disconfirmation. This model has been utilized as the most typical tool to measure service quality over the world(Parasuraman et al., 1991). RSQS(Retail Service Quality Scale) model is proved as quite effective in retail channel through domestic and foreign researches. The research by Ji & Lee (2009) also substantially proved by using customers of department stores as subjects, in which RSQS model consisting of 5 dimension(physical aspect, reliability, human interaction, problem solving, policy and so on) has higher score of goodness of fit than the existing models. Then, as a service evaluation model, Noh & Seo (2008) refined measuring items of RSQS service quality and carried out factor analysis, and developed KD-SQS(Korean-type Discount Store Service Quality Scale). As a proper measurement for the present situation of domestic retail stores, KD-SQS model was designated by 6 measuring items including physical aspect, policy, human interaction, original benefit, promotion, and additional convenience. It is evaluated as a proper measurement for the present situation of domestic retail stores(Noh & Seo, 2008).

2.3. Service Value

In the retail channel the Value is said to be consumers' relative rating on the shopping based on qualitative, quantitative, subjective and objective shopping experience.

(Ahn & Lee, 2011; Yang et al., 2013). Service value is a concept that is researched as a new parameter between service quality and customer satisfaction. It has been studied by a lot of researchers from the point that a service company should raise service value in order for customer satisfaction(Cronin et al.,1997; Lee & Kim, 1999). Service value means profit or benefit expected by customers about a product or a service, and plays as an important factor more than price(Zeithaml, 1988; Zeithaml & Bitner, 1996). It can be considered general evaluation about utility of a product and service, based on consumers perception. Also, It can be approached from the comparative view of service value as the price paid by consumers for service quality.

2.4. Store Loyalty

Store loyalty is defined as an intention of a customer to re-buy a certain product or a service. However, true-loyalty is an active response during an evaluating process which returns to immersion, but also a comparative concept against spurious-loyalty by which a customer re-buy a brand by inertia regardless immersion level. Studies about loyalty has been expanded and developed from brand loyalty and vendor loyalty then gradually toward the concept of store loyalty(Jo & Im, 1999). Auh & Johnson (2005) suggested in his research of loyalty that it is distinguished largely in three dimensions of behavior, attitude, and integrative approach. Among them, the in-

tegrative approach means that in order to properly measure store loyalty, both concept of repetitive purchasing behavior and favorable attitude of a customer need to be considered(Dick & Basu, 1994).

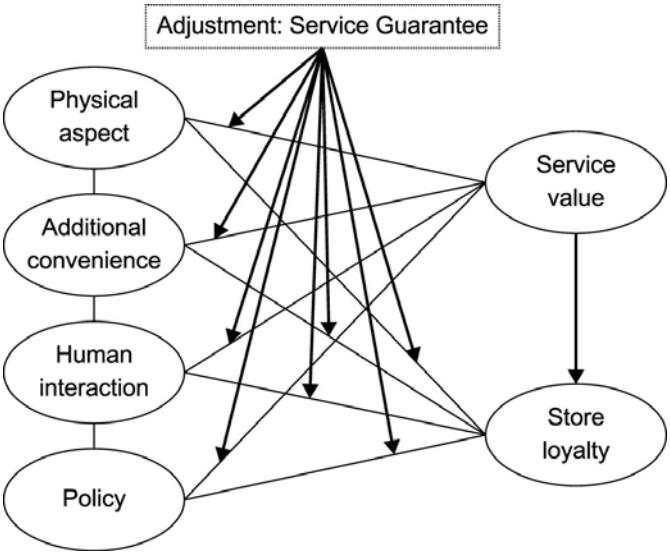
2.5. Service Guarantee

Service guarantee began first in Promous Company in U.S.A, 1989, as the company suggested the policy that they would not take some or all of the room charge from a customer, if the customer could not be satisfied to the company's service. It was for re-purchase through customer satisfaction and was the beginning of service guarantee system(Hart, 1993). Service guarantee is a proposition of a promise to customers. It can be defined as an instrument that explains what they can do when they fail to provide the promised service and expected level of the service(Evan et al., 1996), and refers to a company's policy that is implicitly notified or not notified. Particularly, as Wagner (1994) was defined in his research that it as "transferring an intangible product or a service that is expected to be provided to a customer to a measurable expectancy", which is generally regarded as a concept of a promise for customer service.

3. Research Design

3.1. Establishment of Research Model and Hypothesis

This study has established a study model based on prerequisite studies. Service quality is composed of the four dimensions of human interaction, physical aspect, policy, and additional convenience. While service quality is expected to influence customer's store loyalty, service guarantee is expected to adjust the relations among variables.



<Figure 1> Study Model

3.2. Research Hypothesis

3.2.1. Influence that Service Quality Exerts on Service Value

The value that a customer perceives can be influenced by service quality and price, and a number of studies show a positive relationship between service quality and value (Chang & Wildt, 1994; Dodds et al., 1996). Therefore, I have constructed the following hypothesis.

H1: The service quality of a Large-scale Marts has positive influence on its service value.

3.2.2. The Influence that Service Quality Exerts on Store Loyalty

Several earlier studies of the influence that service quality exerts on customer satisfaction and store loyalty suggested direct relations between service quality and store loyalty (Lee & Ra 2003; Lee et al., 2000; Sirohi et al., 1998; Zeithaml & Bitner, 1996). Therefore, I have formed the following hypothesis.

H2: The service quality of a Large scale Marts exerts positive influence on store loyalty.

3.2.3. The Influence that Service Value Exerts on Store Loyalty

With their study, Bolton & Drew (1991) provided theoretical grounds for the relationships between service quality and service value, post-purchase behavior, or repurchase intention. Their study concluded that perceived service value exerts greatest influence on behavioral intention (word-of-mouth intentions and repurchase intention).

H3: The service value of a Large scale Marts exerts positive influence on store loyalty.

3.2.4. The Effect of Service Guarantee for Adjusting Service Quality and Service Value

This study assumes service guarantee as an adjusting factor in the path where service quality factor derives from service value and store loyalty. In their study of the influence that service guarantee in parcel delivery service exercises on service quality and service value, Seo et al. (2004) drew on the research conclusion that service guarantee exerts positive influence on service value to put forward the following hypothesis.

H4: The service guarantee of a Large scale Marts adjusts the relation between service quality and service value.

3.2.5. The Effect of Service guarantee for Adjusting Service Quality and Store Loyalty

In their study, Hay & Hill (2001) argued that explicit service guarantee influences operation of a company and business per-

formance through its effect on customer behavior, which is to form customer loyalty and behavioral intention to reuse through potential performance. This study has formed the following hypothesis.

H5: The service guarantee of a Large scale Marts adjusts the relation between service quality and store loyalty.

3.3. Concept of Measuring Variables

3.3.1. Service Quality

The service quality of a large scale Marts has applied the four basic factors of physical aspect, additional convenience, human interaction, and policy, which are the basic dimensions of the model developed to measure a consumer's cognitive evaluation of service quality in a store, based on KD-SQS by Noh & Seo (2008) on the measurement of service quality of Korean-style price-discount distribution business, and adopted for measurement 7-point Lickertis scale by screening redundancy in criteria and revising them.

3.3.2. Service Value

Service value can be defined as "offset effect" obtained by perceived quality against price paid for value. The perception of the service quality was modified and supplemented to fit the purpose of the study, based on the study by Lee & Kim (1999), and adopted for measurement 7-point Lickertis scale by screening redundancy in previously studied criteria and revising them.

3.3.3. Store Loyalty

Loyalty to a large scale Marts is defined as a consumer's favorable attitude shown to a specific store and repeat purchase intention involved in habitually visiting a store to purchase products. This study has been modified and supplemented by using the measurement criteria of the "integrated approach" to research basis by Choi & Lee (2005). And then, with measures defined as revisit, word-of-mouth intentions, and repeat purchase intention, I have adopted for measurement 7-point Lickertis scale by screening redundancy in criteria and revising them.

3.3.4. Service guarantee

This study has measured service guarantee, based on implementation of guarantee program, trust and confidence in transaction, and transaction safety as presented in the study by McDougall et al. (1998) and Hart (1993) has adopted for measurement 7-point Lickertis scale by screening redundancy in criteria and revising them through inspecting the validity of measurement concept in earlier studies.

3.4. Research Design

3.4.1. Subjects of Survey & Method of Data Collection

For samples of the study, I selected customers who use the large scale Marts located in Gangseo-gu, Yangcheon-gu, and Yeongdeungpo-gu of Seoul and those in Suwon. The survey questioned respondents who were selected through convenience sampling. Total 430 copies of the questionnaire were distributed, and of 368 collected copies, 332 samples were established by excluding those inadvertently answered.

3.4.2. 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, job, income etc.), DRC's service quality (physical aspect, policy, human interaction and additional convenience), service value, service guarantee, store loyalty degree.

4. Results of Study

4.1. General Characteristics of the Sample

The questionnaire-based survey, conducted between May 2 and May 25, 2013, included customers who frequently use distributors. The survey was administered to subjects selected through convenience sampling through interviewers.

4.2. Analysis of Reliability and Validity of Variables

4.2.1. Analysis of Reliability and Validity

In order to test the validity and reliability of the constructs, I have tested the convergent validity and discriminant validity of respective constructs through confirmatory factor analysis. Measurement variables for the first 16 sub-factors except the variables eliminated based on the first factor analysis have proven to be GFI(.906), AGFI(.851), NFI(.920), CFI(.943), RMR(.54), and $\chi 2$=278.082, with most values exceeding appropriate standard value. While the supplementary RMR value of .054 (standard 0.05 or less) is a bit (.004) over the standard, concept reliability(CR) and average variance extracted(AVE) are over respective standards of 0.7 and 0.4. This shows no problems with AVE and CR. I think that it is fair to accept the appropriateness of the related model, and I see that convergent validity and construct validity are secured.

<Table 1> Appropriateness of Confirmatory Factor Analysis of Measurement Model

Variable	Standardized coefficient	Factor loading	t-value	CCR[b]	AVE[a]
Physical aspect					
Convenience	0.658	0.736	11.344		
Pleasantness	0.837	0.944	14.358	0.776	0.56
Visibility/esthetics[c]	0.739	1.000			
Human interaction					
Specialization	0.823	0.842	19.009		
Response	0.92	0.958	23.089	0.883	0.756
Problem solving[c]	0.863	1.000			
Additional convenience					
Lounge[c]	0.859	1.000			
Food & beverage facilities	0.766	0.916	14.478	0.872	0.686
Amenities	0.856	0.811	14.972		
Policy					
Replacement & refund[c]	0.741	1.000			
Customer satisfaction	0.835	0.944	13.966	0.695	0.474
Point policy	0.418	0.488	7.069		
Service value					
Monetary value	0.506	0.567	8.995	0.624	0.457
Non-monetary value	0.811	1.000			
Loyalty					
Revisit	0.87	0.831	18.859	0.877	0.793
Repeat purchase[c]	0.911	1.000			

[a] AVE: Average Variance Extracted
[b] CCR: Composite construct reliability
[c] Value fixed at 1 in analysis.

X2 = 278.082, df=86, p=.000, GFI=.906, AGFI=.851, NFI=.920, CFI=.943, IFI=.943, RMR=.054, RMSEA=.083
* Appropriateness standard: GFI, AGFI, NFI: minimum 0.9, RMR: maximum 0.05: significant probability of $\chi 2$ at maximum 0.05
a: CR (concept reliability)
b: AVE(average variance extracted)

Also, if you compare square of the correlation among constructs in Table 2, correlation coefficient is .688(Φ2=.473). Since this shows that AVE is in most cases higher than the square of the correlation (r2), one may see that all entries have secured acceptable level and discriminant validity.

<Table 2> Correlation Coefficient Matrix

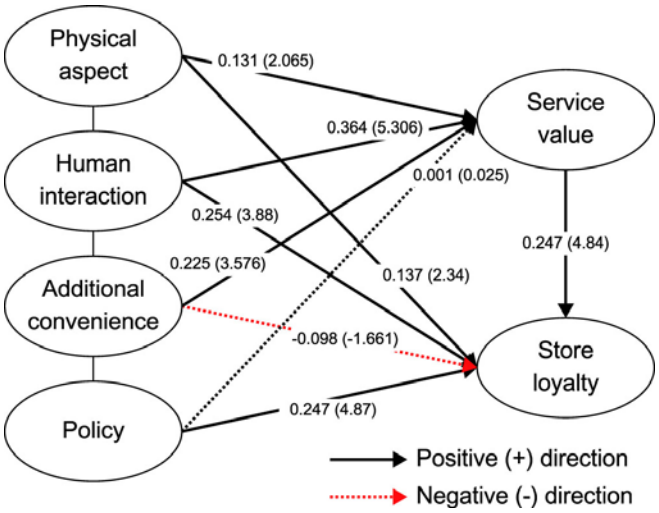
		Physical aspect	Human interaction	Additional convenience	Policy	Service value	Loyalty
Physical aspect	Pearson correlation coefficient	1					
Human interaction	Pearson correlation coefficient	.637**	1				
Additional convenience	Pearson correlation coefficient	.688**	.618**	1			
Policy	Pearson correlation coefficient	.441**	.676**	.510**	1		
Service value	Pearson correlation coefficient	.570**	.646**	.595**	.462**	1	
Store Loyalty	Pearson correlation coefficient	.508**	.649**	.455**	.607**	.564**	1

** Correlation coefficient is significant at the level of 0.01 (on both sides).

4.3. Testing Research Hypothesis

4.3.1. Testing Appropriateness of the Structural Equation of Study Model

Setting relations between theoretic variables by using measurement variables loaded in the confirmatory factor analysis for the entire measurement model above, I have analyzed the study model (Table 1). As a result, I got GFI (.983), AGFI (.822), NFI (.983), CFI (.985), and RMR (.035), which satisfy appropriateness standard, and therefore, I think that there is no problem with model interpretation in general(Hair et al., 1998).



χ2=18.221, df=2, p=.000, GFI=.983, AGFI=.822, NFI=.983, CFI=.985, IFI=.985, RMR=.035

<Figure 2> Results of Study Model Testing

4.3.2. Testing Research Hypothesis

The results of the analysis that tested the hypothesis on the relation between constructs used in this study are as shown on <Table 3>.

<Table 3> Results of the Hypothesis Testing

Hypothesis	Path	path coefficient	t-value	p-value	Test results
H1-1	Physical aspect → service value	0.131	2.065	0.039	Supported
H1-2	Additional convenience → service value	0.225	3.576	***	Supported
H1-3	Human interaction → service value	0.364	5.306	***	Supported
H1-4	Policy → service value	0.001	0.025	0.98	Rejected
H2-1	Physical aspect → store loyalty	0.137	2.34	0.019	Supported
H2-2	Additional convenience → store loyalty	-0.098	-1.661	0.097	Rejected
H2-3	Human interaction → store loyalty	0.254	3.88	***	Supported
H2-4	Policy → store loyalty	0.305	5.65	***	Supported
H3	Service value → store loyalty	0.247	4.87	***	Supported
Explanatory power					
	Service value			0.404	
	Loyalty			0.499	
*** p<.01					

χ2=18.221, df=2, p=.000, GFI=.983, AGFI=.822, NFI=.983, CFI=.985, IFI=.985, RMR=.035

4.3.2.1. Relation between Service Quality and Service Value

The test of H1-1 that 'physical aspect exerts positive (+) influence' has shown that path coefficient of 0.131 and t-value of 2.065 exercise statistically significant influence (p<.05). The test of H1-2 that 'additional convenience exerts positive (+) influence on service value' has shown that path coefficient of 0.225 and t-value of 3.567 exercise statistically significant influence (p<.01). The test of H1-3 that 'human interaction exerts positive (+) influence on service value' has shown that path coefficient of 0.364 and t-value of 5.360 exercise statistically significant influence (p<.01). The test of H1-4 that 'policy exerts positive (+) influence on service value' has shown that path coefficient of 0.001 and t-value of 5.360 exercise statistically significant influence (p>.1). Therefore, H1-4 has been rejected.

4.3.2.2. Relation between Service Quality and Store Loyalty

The test of H2-1 that 'physical aspect exerts positive (+) influence on store loyalty' has shown that path coefficient of 0.137 and t-value of 2.34 exercise statistically significant influence (p<.05). The test of H2-2 that 'additional convenience exerts positive (+) influence on store loyalty' has shown that path coefficient of -0.098 and t-value of -1.661 exercise statistically

significant influence (p<.1). The test of H2-3 that 'human interaction exerts positive (+) influence on store loyalty' has shown that path coefficient of 0.254 and t-value of 3.88 exercise statistically significant influence (p<.01). The test of H2-4 that 'policy exerts positive (+) influence on store loyalty' has shown that policy exercises statistically significant influence on store loyalty (p<.01).

4.3.2.3. Relation between Service Value and Store Loyalty

The test of H3 that 'service value exerts positive (+) influence on store loyalty' has shown that path coefficient of 0.247 and t-value of 4.87 and that service value exercises statistically significant influence on store loyalty (p<.01). Therefore, H3 has been supported.

4.3.2.4. Testing Adjustment Effect

I have tested the adjusting effect that service guarantee exercises on service quality, service value, and store loyalty. Here, I distinguish the high group that exerts influence as a subordinate variable due to the adjustment variable from the low group that is not influenced by adjustment variable. And the test of the differences between constrained model and unconstrained model has comes up with frequency difference in some areas.

<Table 4> Results of Test of Difference in Parameter between Groups

Path (Regression Weights: low)	Estimate	S.E.	C.R.	P
Physical aspect → Service value	0.076	0.124	0.611	0.541
Human interaction → Service value	0.458	0.107	4.275	***
Additional convenience → Service value	0.11	0.119	0.926	0.354
Policy → Service value	0	0.107	0.002	0.999
Physical aspect → Store loyalty	0.019	0.124	0.157	0.875
Human interaction → Store loyalty	0.173	0.116	1.496	0.135
Additional convenience → Store loyalty	-0.133	0.119	-1.117	0.264
Policy → Store loyalty	0.272	0.107	2.554	0.011
Path (Regression Weights: Hi)	Estimate	S.E.	C.R.	P
Physical aspect → Service value	0.177	0.082	2.157	0.031
Human interaction → Service value	0.268	0.079	3.391	***
Additional convenience → Service value	0.273	0.092	2.98	0.003
Policy → Service value	-0.078	0.089	-0.869	0.385
Physical aspect → Store loyalty	0.213	0.083	2.572	0.01
Human interaction → Store loyalty	0.281	0.081	3.468	***
Additional convenience → Store loyalty	-0.101	0.093	-1.084	0.278
Policy → Store loyalty	0.412	0.09	4.597	***

As a result, in the adjustment effect that human interaction exerts on service value, as $\chi 2$ of unconstrained model is 32.938, the difference with $\chi 2$ of constrained model=38.815 is 5.877, thus registering statistically significant influence (p<.05). Therefore, hypothesis H4-2 is supported. In the adjustment effect that policy exerts on service value, as $\chi 2$ of unconstrained model is 34.023, the difference with $\chi 2$ of constrained model=38.815 is 4.792, thus registering statistically significant influence (p<.05). Therefore, hypothesis H4-4 is supported. In the adjustment effect that human interaction exerts on store loyalty, as $\chi 2$ of unconstrained model is 35.329, the difference with $\chi 2$ of constrained model=38.815 is 3.486, thus registering statistically significant influence (p<.1). Therefore, hypothesis H5-2 is supported. Lastly, in the adjustment effect that policy exerts on store loyalty, as $\chi 2$ of unconstrained model is 33.835, the difference with $\chi 2$ of constrained model=38.815 is 4.98, thus registering statistically significant influence (p<.05). Therefore, hypothesis H5-4 is supported.

<Table 5> Results of Test of Adjustment Effect Hypothesis

Hypothesis	Path	Constrained model		Unconstrained model		Difference			Test result
		Chi-square	Degree of freedom	Chi-square	Degree of freedom	Chi-square	Degree of freedom	p-value	
H4-1	Physical aspect → Service value	38.815	13	38.618	12	0.197	1	0.657	Rejected
H4-2	Human interaction → Service value	38.815	13	32.938	12	5.877	1	0.015	Supported

H4-3	Additional convenience → Service value	38.815	13	37.541	12	1.274	1	0.259	Rejected
H4-4	Policy → Service value	38.815	13	34.023	12	4.792	1	0.029	Supported
H5-1	Physical aspect → Store loyalty	38.815	13	38.379	12	0.436	1	0.509	Rejected
H5-2	Human interaction → Store loyalty	38.815	13	35.329	12	3.486	1	0.062	Supported
H5-3	Additional convenience → Store loyalty	38.815	13	37.686	12	1.129	1	0.288	Rejected
H5-4	Policy → Store loyalty	38.815	13	33.835	12	4.98	1	0.026	Supported

5. Conclusion and Suggestion

In this study, I have surveyed 'large scale Marts' customers and focused on the influence that service quality exerts on service value and store loyalty to figure out the adjustment effect that service guarantee exercises on respective relations. The empirical analysis has shown that service quality exerts significant influence on service value in terms of physical aspect, human interaction, and additional convenience. Second, it has shown that physical aspect, human interaction, policy, and store loyalty exercise significant influence on store loyalty. Third, service value has proven to exert significant influence on store loyalty. Fourth, service guarantee has proven to exercise significant influence on adjusting relation with service value in terms of human interaction and policy of service quality. Fifth, service guarantee has proven to exert significant influence on adjusting relation with store loyalty in terms of human interaction and policy of service quality.

Considering the results of the study of the hypothesis, making suggestions for DRC's developmental direction as follows. Human interaction as an intangible factor of service quality can equally exercise huge influence on service value and store loyalty, so sufficient management system should be prepared. Especially human interaction not only demonstrates strong adjustment effect on service guarantee in terms of causality with subordinate variables, but also influences service value and store loyalty in various ways. So, distributors or marketer should deploy various service strategies including providing customers with satisfactory human services by putting in steady training for specialization and upgrading systems to ensure reliability and problem solving skills.

This study thinks that this research has a significance in that it attempted to integrate the service quality concept into the DRC, and particularly, it raised the necessity of revitalizing to the DRC's streategy. Further, this study was analysis of service quality on the basis of KD-SQS which was developed on the retail business service quality evaulation 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 value, Store loyalty, and service guarantee 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 general DRC by making up for the above mentioned shortcomings, there will be a more meaningful result regarding discount-based retail channel service quality.

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