

CUSTOMER SERVICE AT A  
CHAIN STORE IN THE GREATER  
DURBAN AREA

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CUSTOMER SERVICE AT A CHAIN STORE IN THE GREATER  
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## DECLARATION OF ORIGINALITY

I declare that this research dissertation is my own work and that all sources I have used or quoted have been indicated and acknowledged by means of complete references.

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Jie Yao

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This study has been a hardworking and interesting experience for me. It took a long time of planning, consulting, field work, processing the results and spending a long period of time in the computer laboratory. It has been a real learning experience more than just an academic work. However, the completion of this study would have been impossible, had it not been for assistance offered by various people.

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## Abstract

Retailing in South Africa is one of the most challenging and competitive sectors. The South African retail business environment is seemingly becoming tough and uncertain, with intense competition from both domestic and international companies. South Africa has a varied and fascinating retailing landscape. A feature that retailers need to understand is the different demographics of the South African population and consumers from different races; this resulted in inadequate shopping facilities in the black townships and an oversupply in the traditionally white areas. Gaining access to new markets in South Africa is one of the challenges facing the retail sector.

The purpose of this study is to evaluate customer service at Pick' n Pay stores in selected shopping malls within the greater Durban area. It examines the opinions and perceptions of customers from selected shopping centres. This report has reviewed current literature and opinions about customer service at a chain store. It has also reviewed the factors including consumer demographic characteristics, consumer perception toward customer service characteristics and social influences that affect customers to shop at this chain store, and how it can be measured. Final conclusions were drawn with regard to the articles in each section.

The analysis of the results revealed important findings. The perception of shoppers on customer service is reported. Specific recommendations have been made which can improve the levels of customer service at the chain store.

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# **CHAPTER ONE**

## **NATURE, SCOPE AND ORGANISATION OF THE STUDY**

### **1.1 INTRODUCTION**

Retailing in South Africa is one of the most challenging and competitive sectors. The South African retail business environment is seemingly becoming tough and uncertain, with intense competition from both domestic and foreign companies. South Africa has a varied and fascinating retailing landscape. A feature that retailers need to understand is that the different demographics of the South African population and consumers from different races resulted in inadequate shopping facilities in the black townships and an oversupply in the traditionally white areas (Terblanche, 1998:27). Gaining access to new markets in South Africa is one of the challenges facing the retail sector.

According to Hawkins (2002:217), many customers are not satisfied with chain stores in terms of the products and services they receive. Customers sometimes are not able to find the products they want in chain stores. Shop assistants are sometimes not helpful due to the lack of customer care skill. Managers sometimes find that staff are not willing to help customers to get what they want. Even within the management team, different levels of managers have different views towards the concept of customer service. Besides, different business units or departments may be more interested in functional areas. Consequently, there is a lack of common thought about customer service. These problems are common and will have a directly negative impact on chain stores' short-term and long-term operations.

Intense competition from other retailers and alternative retail formats, for example, the internet and direct marketing, aggravate the impetus to the

current situation. With consumers becoming more value conscious, retailers must seek ways to maximize the value they provide to their current customers. Retail companies need to be fully informed of the ways in which customers are served. It is extremely important for companies to gain a competitive advantage which, in turn, will enable the company to be successful in the long-term.

This problem is, therefore, a lack of understanding of how customers perceive the service provided by a chain retail store in selected shopping malls in the greater Durban area.

## **1.2 RESEARCH OBJECTIVES**

The purpose of this study is to evaluate customer service at Pick 'n Pay stores in selected shopping malls within the greater Durban area.

The objectives of the study are:

- to present a comprehensive framework of customer service theory and practice; and
- to design an appropriate instrument to ascertain the perceptions of Pick 'n Pay clients with regard to customer service at selected stores and to respond to the findings of the empirical study. This will be accomplished by:
  - (a) Evaluating the level of customer service as perceived by shoppers;
  - (b) Identifying relationships, if any, between customer service and demographic profile of respondents.



### **1.3 RATIONALE**

For retailers, customer service plays an important role in the performance of the business. Customer service links directly with the costs, prices, profitability, output, and employment of the business. Even though Pick 'n Pay is one of the largest chain stores in South Africa, the competition amongst Pick 'n Pay and other large retailers is intense. In this competitive industry, it is extremely important and necessary to identify competitive advantage. Customer service builds a critical part in the company's competitive advantage and, therefore, the improvement in customer service is able to sustain effectiveness and induce long-term success (Barlow, 2002:21).

Obviously, consumers are no longer willing to overlook the lack of personal attention and poor service from retailers. Nowadays, knowledgeable South African consumers know more about their basic consumer rights—the right to safety, the right to be informed, and the right to choose and the right to be heard. Often, consumers do not like to complain as dissatisfaction is stressful. However, complaining is a channel for communication between customers and retailers. Without this communication channel, stores are unable to become aware of the existing problems. As a result, customers will gradually move to competitors. It is, thus, necessary for stores to create a communication channel to customers. Research into customer service provides this channel for stores and helps them to find existing problems. Stores are thus able to reduce the number of negative comments, resulting in the company converting negative perceptions to positive impressions. Consequently, customers will benefit from improved customer service.

## 1.4 LITERATURE REVIEW

When the two words “customer” and “service” come together there are two possible outcomes:

- they can form a collision that will leave the customer frustrated and angry ;  
or
- they can be a comfortable joining together of two friends that leave the customer satisfied and pleased.

The company is either in synch or out of synch with its customer (Self, 2005:7).

Services are described as objects of transactions offered by firms and institutions that generally offer services or that consider themselves service organisations (Baron and Harris, 2001:14). The benefit of this relatively broad definition is that it allows any organization that considers it to be a service operator to make use of the range of research that has been developed specifically to deal with problems relating to services.

Service refers to all the activities which create a bond between organisations and their clients or customers. The extent of the service component varies from organisation to organisation, but everyone ultimately has a role in service (Blem, 2000:6).

For the retailing industry, because of the growth of the service section in the overall business activities, many traditional retailers are now combining service and product retailing. The retailers, who combine goods and services into one offering, have realised that the goods and services should complement each other, be a logical extension for the store, and not adversely affect the store’s image.

According to Albrecht (2000:24), customer service is a total organizational approach that makes the combination of goods and services, as perceived by the customer, the primary focus of operating the business. Self (2005) describes customer service as any contact, whether active or passive, between a customer and a company, which causes a negative or positive perception by a customer. The perception will be influenced to be either positive or negative by the customer's expectations of the contact having been met, exceeded or disappointed.

Customer service is not the only issue that decides where people make their purchases, but it is a very important one. In consumer and business purchasing, service often ranks higher than price in people's priorities. Service can give a company the competitive edge and can offset other factors (Hayes and Dredge, 2001:5).

Customer service is definitely a key issue for business suppliers where customer-supplier relationships can last for many years and involve significant amounts of money. Issues like reliability, warranties, punctuality, and flexibility of delivery, personal rapport and ease of ordering can all make a significant impact on the buyer's sense of the value of money (Hayes and Dredge, 2000:4).

According to Mason, et al. (2001:559) a few of the more pronounced problems encountered by customers are:

- discontinuation of services such as wrapping, alterations and repairs, without offering alternatives to customers;
- aisles are narrow or cluttered with merchandise, with no natural grouping of merchandise categories;

- provisions such as rest-rooms are non-existent or difficult to find, or if available, they are dirty and out of supplies;
- departmental and merchandise signs are inadequate;
- inadequate shelf marking with the absence of price on merchandise or shelves;
- merchandise is out of stock and customers are not informed in any way;
- employees in the store are sometimes not courteous to customers; and
- employees in the store lack the knowledge to answer customers' questions.

From the preceding discussion, it can be concluded that customer service activities have two goals, namely customer satisfaction and operational efficiency. These two goals should be achieved by designing, performing, and communicating.

Hanan and Karp (2002: 2) articulate that customer service means that :

- customers are satisfied with the product;
- customers are satisfied with the service;
- customers are satisfied with the relationship within which business is conducted with them; and
- any of these things or all of them.

However, it can mean one thing for certain: customers will do business with a supplier again. Customer satisfaction is believed to be associated with fruitful customer behaviour from the firm's point of view. Many positive links have been observed between customer satisfaction, loyalty and the propensity to recommend the supplier's offer to other customers (Sturdy, 2001:3). The link between customer satisfaction and behaviour and the consequences it has on loyalty, word of mouth and feedback to the supplier must not be over

emphasized. Behavioural variables are all the harder to interpret when the consumer's satisfaction is extreme, whether it is high or low. Consequently, the fact that customer satisfaction induces loyalty may be considered but not taken for granted because of its link to numerous behavioural variables. Many companies have discovered that there is a strong correlation between satisfaction and loyalty only at the highest levels of customer satisfaction (Hill and Roche, 2002:4).

The research on customer service and identifying customer satisfaction is expected to improve on customer-oriented marketing principles to business operations, and will prevent negative perceptions from occurring in the first place. No company can truly satisfy its customers unless top management is fully behind the programme (Koelemeijer and Vriens, 2002:163). This does not just mean that they endorse the idea of customer satisfaction studies but that they are genuinely customer orientated.

From the strategic management point of view, focusing on service provided to customers can help a firm to ensure the core competencies and create a significant competitive advantage in order to sustain the firm in current markets and create future market opportunities (Ehlers and Lazenby, 2004:105).

## **1.5 RESEARCH DESIGN**

### **1.5.1 Study type**

This research was a quantitative study and evaluates the customer service at selected Pick 'n Pay stores in the greater Durban area. The research uses a cross – sectional methodology as the respondents are considered at a fixed point in time. The cross–sectional study is the most frequently used descriptive design in marketing research. Cross–sectional designs involve the

collection of information from any given sample of population elements only once (Malhotra, 2001:89).

### **1.5.2 Sampling technique**

The target population was all the people who shop at Pick 'n Pay stores. Stratified sampling method has been applied in the five regions viz Pick 'n Pay store in La Lucia (Durban North), Sanlam (West of Durban), Pavilion (South of Durban), East and central Durban (Workshop and Musgrave). A shopping centre within each area was chosen and the respondents were chosen by the mall intercept method.

The total number of respondents interviewed has been 400 because this sample size is believed to be large enough for the study and is justified by Malhotra (2001: 204). According to Struwig and Stead (2001: 125), it is not possible to confirm whether a sample size is good or bad, but the researcher must consider the purpose and goals of the study. Beyond a certain point (about N=5000), the population size is almost irrelevant and a sample size of 400 will be adequate (Leedy, 1997:211). Each of five stores was allocated 80 questionnaires.

### **1.5.3 Questionnaire design**

The covering letter was intended to ensure that the respondents are informed of the nature and purpose of the research. Research questions was structured in the simplest terms, making them easier to be understood by every respondent. The questionnaire consists of three sections: section one is concerned with the general information and background of the respondents; section two includes the respondents' attitude towards Pick 'n Pay in terms of the frequency and the reason respondents go to the stores; and section three includes the respondents' opinion towards the service Pick 'n Pay provided in

terms of the products, service, and employees' ability. The questionnaire was self developed based on the literature study.

#### **1.5.4 Pilot study**

A pilot study of 10 questionnaires was conducted initially, by selecting respondents from each region as outlined. This allowed the researcher to identify any problems which existed in the questionnaire design, so that the respondents can easily understand both the question and the purpose of the study.

#### **1.5.5 Statistical data analysis**

Data was analysed using the latest version of the statistical programme SPSS V13. The applicable descriptive and inferential analyses techniques were applied.

### **1.6 LIMITATIONS OF THE STUDY**

The research was done in the greater Durban area and, therefore, the results of the study cannot be generalized to all South African consumers.

### **1.7 DIVISION OF CHAPTERS**

The remainder of this dissertation is structured as follows:

- **CHAPTER TWO: LITERATURE REVIEW**

This chapter serves to provide the literature review and a theoretical framework for the study. The importance and critical factors of customer service regarding the retail industry is explained. This chapter provides a brief overview of customer service. Various concepts relating to customer service have been identified in this chapter. The chapter then examines customer satisfaction, service, recovery and customer loyalty.

- **CHAPTER THREE: RESEARCH METHODOLOGY**

This chapter starts with a review of the research methodology. It provides insight into the research design questionnaire design and various techniques used to analyze the data.

- **CHAPTER FOUR: PRESENTATION OF RESULTS – QUESTIONNAIRE ANALYSIS**

This chapter includes a descriptive statistical presentation of the key demographic characteristics of the respondents. This is followed by an analysis of the findings. All significant findings are accompanied by numerical and graphical representations so as to assist in the interpretation and understanding of the research.

- **CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION**

This chapter starts with a summary of the theoretical orientation and provides a summary of the significant findings of the empirical study. The chapter also includes recommendations and direction in areas that can be further researched.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

In Chapter One, the reasons for the study, objectives and the research design were discussed. This chapter focuses attention on the current situation in the South African retail industry, followed by the discussion of customer service of chain stores in retailing industry. It is explained that customer service is a key issue to induce customer satisfaction and sustain the chain stores' profitability in the long-term.

The aim of this chapter is to explain the importance and critical factors of customer service with regard to the retail industry. This chapter provides a brief overview of customer service. It firstly discusses the meaning of customer and service and the linkage between them. The second section explains customer service in terms of its meaning, importance, components, and key issues concern with customer service. The next section identifies customer satisfaction as a result of customer service in the retail industry. The final section in this chapter deals with customer complaints and service recovery to induce customer satisfaction and loyalty.

#### **2.2 CUSTOMER**

##### **2.2.1 Meaning of customer**

The Oxford Dictionary (2002: 351) defines a customer as someone who purchases or rents something from an individual or organization.

The word historically derives from "custom," meaning "habit" (Lovelock, 2001:10); a customer was someone who frequented a particular shop, who

made it a habit to purchase goods of the sort the shop sold there rather than elsewhere, and with whom the shopkeepers had to maintain a relationship to keep their "custom," meaning expected purchases in the future. The shopkeepers remembered the sizes and preferences of their customers, for example. The word did not refer to those who purchased things at a fair or bazaar, or from a street vendor.

### 2.2.2 Needs of customer

Every customer comes into the customer situation with differing wants. While wants are frequently hard to identify and may occasionally be unrealistic. Harris (2003: 4) states that all customers have the following five basic needs:

- **Service:** Customers expect the service that they think is appropriate for the level of purchase that they are making. A small, spontaneous purchase may have a smaller service need than a larger purchase that has been carefully planned and researched;
- **Price:** The cost of everything customers purchase is becoming more and more important. People and businesses want to use their financial resources as efficiently as possible. Many products previously considered unique are now considered commodities. This means that while a consumer previously had to travel to the local hamburger restaurant to purchase a hamburger, now one can be acquired at many other locations. This makes the component of price even more important to the customer;
- **Quality:** South African consumers are less likely today to think of their purchases as throw-away items. Customers want the products that they purchase to be durable and functional until the customer decides to replace them. This requirement of quality mandates that manufacturers and distributors produce products that live up to the customers' expectations of durability. Customers are much less likely to question

price if they are doing business with a company that has a reputation for producing a high quality product;

- **Action:** Customers need action when a problem or question arises. Many companies offer toll-free customer assistance telephone lines, flexible return policies, and customer carryout services in response to the need for action. Customers are human beings and like to think that they are an important priority and that when a need or question arises someone will be ready and waiting to help them; and
- **Appreciation:** Customers need to know that customer service providers appreciate their business. Customer service providers can convey this appreciation in many appropriate ways. Saying “thank you” to the customer through words and actions is a good starting point. Preferred customer mailing lists, informational newsletters, special discounts, courtesy, and name recognition are good beginnings to showing customers the appreciation. Additionally, letting customers know that the service provider are glad that customers have chosen to do business with them conveys a positive message.

### **2.2.3 External and internal customers**

Lovelock (2001:21) believes it is important for every business to examine and reassess how well it manages its relationships with two key groups: internal customers (employees) and external customers (those who purchase their products or services). Both contribute to the customer service of an organization and, therefore, are essential and inseparable. Gerson (2000:44) says that any business that fails to take this preventive initiative, before market share, sales, or profits decline, may well find itself unable to reverse the downward trend.

According to Brink and Berndt (2004: 15), external customers are the customers that the firms do business with outside their organization. External customers are those customers that firms most commonly think of when they consider whom they serve. They are the people with whom firms interact and share their knowledge and positive attitude. External customers have the power to enhance the firms' reputation and to bring them new business. But they are not the only customers that firms serve.

Every day, firms interact with a special group of customers who frequently go unrecognized. These customers are the internal customers. The internal customers are those people that work in the organization. They are important to the firms' success in providing their external customers with what they need (Brink and Berndt, 2004:16). If internal customers do not see the importance of completing work promptly and of treating others with respect, it becomes very difficult for the organization to provide outstanding customer service to external customers. Internal customers were previously referred to as co-workers, but this title does not elicit the respect deserved by the people within any organization who contribute to the overall success of the organization. The idea does not appeal to those employees who want to think that since they do not interact with external customers they do not have a responsibility in the customer process. Internal customers should be as important to firms as their external customers.

#### **2.2.4 Customer attributes**

Each customer is, of course, unique. Identifying customer attributes may allow an organization to better understand "who" its customers are. Harris (2003: 7), articulates that customer attributes are characteristics that allow customers to be categorized according to demographic, psychographic, or firmographic information. Businesses frequently attempt to group their customers to enable the business to serve the customer more appropriately.

Demographic information includes characteristics like age, income, and marital status, and education, stage in the family life cycle, home ownership, sex, postal code, occupation, household size, mobility patterns, ethnic background, and religion. Demographic information is a straightforward and basic method of identifying customers.

Psychographic information focuses on lifestyles, modes of living, needs, motives, attitudes, reference groups, culture, social class, family influences, hobbies, and political affiliation. Psychographic information can provide a more thorough picture of the customer. Not all individuals who earn the same income choose to spend it in the same way.

Firmographic information includes characteristics about a company such as how many employees they have; the kind of business they are in; whether they are retail, wholesale, or a service provider and their hours of operation. Since so many customer service providers serve the business-to-business environment, it has become increasingly important to understand companies themselves as entities, rather than just the individuals served as the ultimate (or end-of-the-line) consumers. Individuals take their personal experiences with them as they make business decisions and vice versa (Harris, 2003: 8).

## **2.3 SERVICE**

### **2.3.1 Meaning of service**

Service refers to all the activities which create a bond between organizations and their clients or customers. The extent of the service component varies from organisation to organisation, but everyone ultimately has a role in service (Blem, 2000:6).

Services are deeds, processes, and performances (Zeithaml & Bitner, 2000:2). Services are produced not only by service businesses, but are also integral to the offerings of many manufactured-goods producers. Brink and Bemdt (2004:3) define service as any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product.

Lovelock (2001:3) explains that services are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing about a desired change in –or on behalf of –the recipient of the service. Brassington and Pettitt (2000, 941) point out that tangibility is not the only way of classifying service products, and that there are several other ways of grouping services along dimensions that might have implications for the marketing mix employed in designing and delivering the service.

### **2.3.2 The characteristics of service**

According to Kurtz and Clow (2002:10), services possess three inherent characteristics not found in goods. These characteristics are intangibility, perishability and inseparability. These characteristics create unique challenges for services. To attract new customers and to keep current customers coming back, service firms must find ways to meet these challenges.

**Intangibility** refers to the lack of tangible assets which can be seen, touched, smelled, heard, or tasted prior to purchase.

**Perishability** of a service means the service cannot be inventoried or stored.

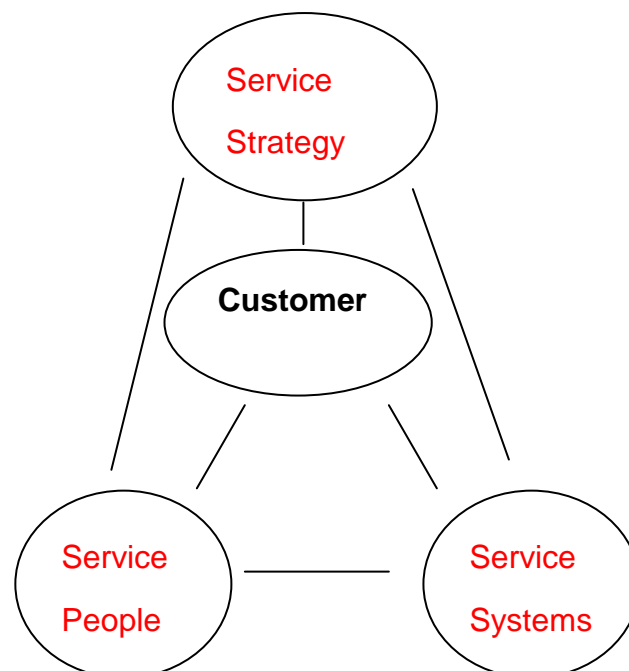
**Inseparability** is the simultaneous production and consumption of services. Goods can be produced and then sold at a later time; services cannot.

**Variability** refers to the unwanted or random levels of service quality that customers receive when they patronize a service (Christopher, Payne and Ballantyne, 2001:23).

### 2.3.3 The service triangle

The service triangle illustrates the theme of customer service. It emphasizes the role of service systems, service strategies and service people in any successful organization. Each of these elements work together and revolves around the customer - the most important member of the service triangle.

FIGURE 2-1 The Service Triangle



Source: Albrecht (2001:77)

As shown in Figure 2.1, the service triangle focuses on the most important elements to succeed with customers. In becoming a customer oriented business, top level management, supervisors, middle management and front line employees need to be familiar with each of the elements (Albrecht 2001:78).

### **2.3.4 A purchase model for service**

According to Gabbott and Hogg (2002: 34), the purchase process for services has three distinct phases. The first phase is called the prepurchase phase. This is when purchase decisions are actually made. During this phase, consumers weigh the different alternatives available to them and the benefits each alternative would provide. Consumers make purchase decisions based on input from internal factors, external factors, firm-produced factors and perceived risk.

After making a purchase decision, consumers, at some point in time, will move into the second phase of the purchase process—the service encounter. The service encounter is the actual interaction point between the customer and the service provider. The service is performed or provided to the customer at this stage. The primary difference between purchasing goods and purchasing services is that services tend to be inseparable in the sense that the service cannot be separated from the service provider. What transpires at the time of consumption has a significant impact on how the customer will evaluate the quality of the service and future purchase decision.

The last phase of the purchase process is the postpurchase phase, which begins upon completion of the service. During this phase consumers will make evaluations concerning the quality of service, their level of satisfaction or dissatisfaction, and future purchase intentions.

#### **2.3.4.1 Prepurchase Phase**

Cook and Walters (2001:25) illustrate that customer decisions are based on internal factors such as their individual needs and wants, their past experiences, their expectations, and their level of involvement. External factors that impacted their decisions were competitive options, the social context of the purchase, and word-of-mouth communications. Firm-produced



factors that may have an impact on their decisions are promotional materials, the pricing structure, and facility location. The last element of this complex prepurchase phase is perceived risk. Risk is the perceived exposure of the consumer to the chance of injury, loss, or damage resulting from the purchase decision (Kurtz and Clow, 2002: 35).

- **Internal factors**

Four internal factors impact a consumer's decision during the prepurchase phase. These factors are individual needs and wants of consumers, past experience, expectations, and level of involvement.

- **External Factors**

Three external factors influence the purchase decision during the prepurchase phase. These factors are the competitive options available to the consumer, the social context of the purchase, and word-of-mouth communications .

- **Firm-Produced Factors**

Promotions, pricing, and the distribution system are firm-produced factors impacting the purchase decision.

- **Risk**

Risk has two components: uncertainty and consequences. Uncertainty is the probability that a particular outcome or consequence will occur. Consequences are the degree of importance and danger of the outcome itself.

#### **2.3.4.2 Service encounter**

The second stage of the purchase process model is the service encounter, which is the actual interaction point between the customer and the service provider. For most services, the interaction is between a customer and a

human service provider. Both are present during the service performance and must interact with each other (Kurtz and Clow, 2002:43).

Service encounter is central to the consumption experience, and as such is central to the management and marketing of service companies. A number of issues have also been highlighted which are worthy of restatement. First, the issue of time, which so far has had only a peripheral place in service research. As the relationship marketing perspective becomes more widely reviewed, concentrating as it does upon building relationships through subsequent and sequential encounters, time dictates opportunities for developing, recovering, cross selling, up-selling and maintaining customers (Gabbott and Hogg, 2002:70). For the consumer, time offers opportunities to develop trust, commitment, knowledge, participation and value. While discrete analysis offers a glimpse of service consumption, longitudinal research into extended encounters will become indispensable (Zeithaml, Parasuraman and Berry, 1990:78). The second issue is that the service encounter is inextricably linked to what precedes it and what follows it in terms of consumer behaviour. The process of searching for information, learning about service offerings and evaluating different services provides a context for the encounter embodying expectations, learned responses, scripts and agendas. Equally, how the encounter was experienced, emotional and cognitive, responses to people and service will impact upon how the service organisation is viewed. While separation of the encounter into a discrete process serves both an analytical and conceptual facility, there is no doubt that in terms of consumer behaviour, actual purchase is a very small part of the consumption process (Gabbott and Hogg, 2002: 90).

#### **2.3.4.3 Postpurchase phase**

The third stage of the purchase process is the postpurchase phase. During this stage, customers will make an evaluation of the service quality they

received and their over all level of satisfaction or dissatisfaction. For satisfied customers, postpurchase actions include repeat purchases, customer loyalty, and positive word-of-mouth communications. For dissatisfied customers, these actions include switching vendors and negative word-of-mouth communications (Kurtz and Clow, 2002: 51).

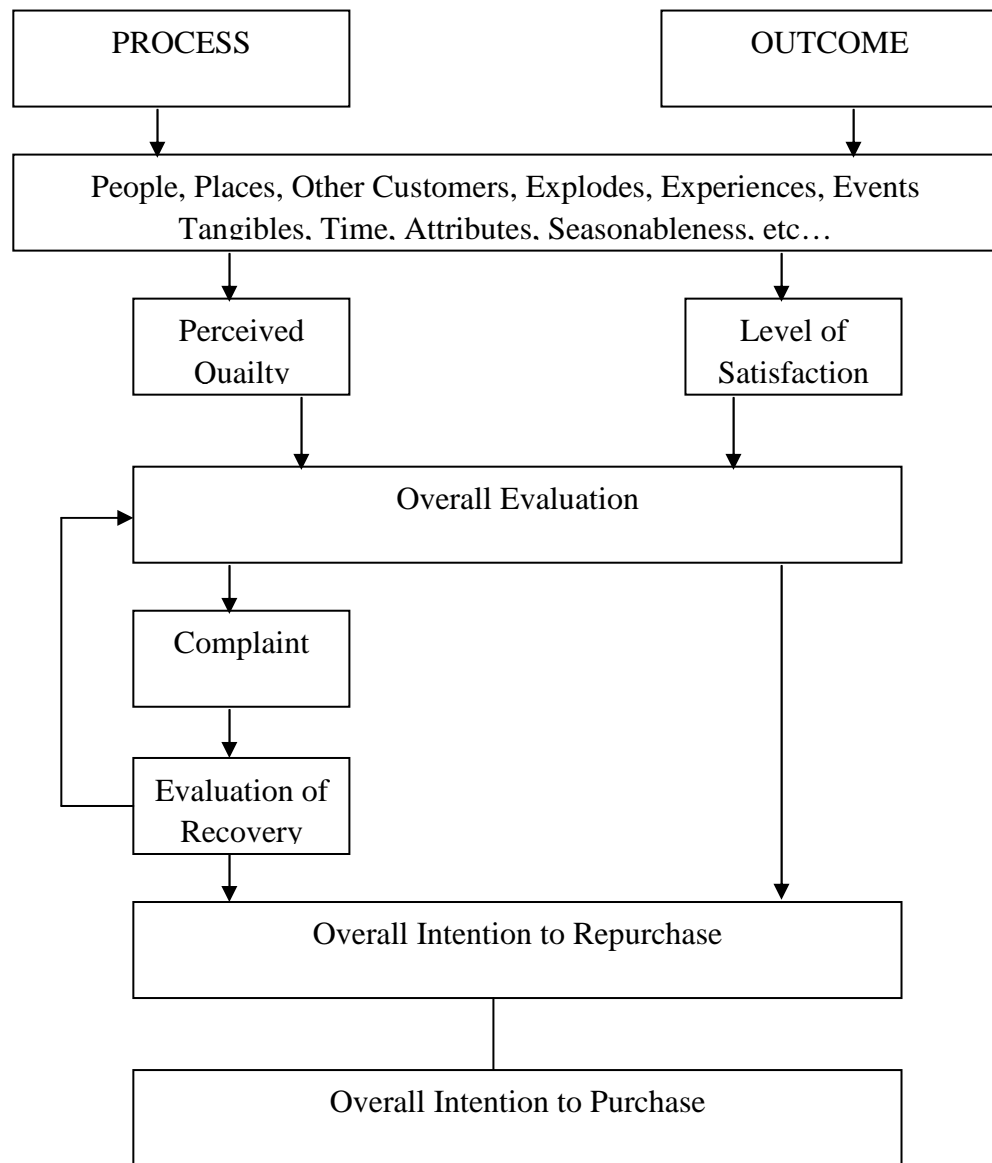
- **Service evaluation**

Existing consumer behaviour literature points to a post-purchase phase comprising the steady depletion of the physical product. This reflects the normal course of events where the consumer purchases a product and then consumes it. In these circumstances, the evaluation takes place post-purchase, that is, after the exchange transaction. With services, the purchase can take place at any time before, during or after consumption. Therefore, the 'post-purchase' focus of consumer behaviour literature does not have ready application to service consumers as it concentrates explicitly upon the outcome of the exchange rather than the exchange itself. As a consequence, evaluation is less time specific and is related to both the process of consumption as well as the outcome of service delivery. The basis of this is the consumer's constant evaluation of the process during the service delivery followed by an outcome evaluation after the service has been delivered (Gabbott and Hogg, 2002: 97).

Zeithaml, Parasuraman and Berry (1990:56) suggest that the service outcome is vital in determining consumer satisfaction, but that the 'process' will be re-evaluated in light of the 'outcome'. This implies that if a service fails to deliver what it is designed to achieve, getting the process of delivery right will not be enough. There is a suggestion from the physical goods literature of a process outcome relationship between evaluation during the pre-purchase phase and the consumption/ depletion phase.

Figure 2-2 presents an evaluation model. The first point to note is the parallel, rather than sequential, positioning of service delivery (i.e. the process) and service evaluation (i.e. the evaluation). This implies that evaluation is taking place from the earliest part of the transaction, possibly before the encounter, and is likely to include specific encounters, elements of the process and outcomes. Secondly, an important distinction is made between evaluation of the outcome (i.e. the level of satisfaction) and evaluation of the process (i.e. perceived quality), which is the basis of the evaluative asymmetry referred to by Zeithaml, Parasuraman and Berry (1990). Finally, the model identifies complaint and service recovery activity as additional variables in determining the intention to repurchase.

**Figure 2-2: EVALUATION MODEL**



Source: Gabbott and Hogg, 2002:132.

The businesses organizations that will succeed are those that recognize today's customer revolution and are fully prepared to meet the challenge at the highest standards of service.

## **2.4 CUSTOMER SERVICE**

When the two words Customer and Service come together, there are two possible outcomes:

- they can form a collision that will leave the customer frustrated and angry ; or
- it can be a comfortable joining together of two friends that leave the customer satisfied and pleased.

The company is either in synch or out of synch with its customer (Self, 2005).

Customer service is an integral part of doing business today. Customer service providers must make adequate preparation to interact effectively with today's customers. This preparation does not happen magically. It is the result of commitment to increased understanding of the customer service industry, knowledge of current trends, ability to interpret those trends, and development of the fundamental skills necessary to achieve excellence.

### **2.4.1 The meaning of customer service**

Customer service is anything providers do for the customer that enhances the customer experience (Lovelock, 2001: 120). At its simplest, customer service can be defined as a system organized to provide a continuing link between the time that the order is placed and the goods are received with the objective of satisfying customer needs on a long-term basis (Christopher, 2000:8). Customers have varying ideas of what they expect from customer interaction. The customer service provider must get to know their customers and strive to provide them with excellent customer service. No matter how accurately the definition of customer service, firms still have to live up to what their customer thinks that customer service is. The customer's satisfaction is the goal to attain.

Customer service does not only mean producing high quality products, although product quality is an important part of customer service. People don't tolerate shoddy goods – they return them and shop somewhere else. Christopher (2000:31) suggests that, firstly, firms must sell customers quality products to win them over. Then firms must provide superior customer service to keep them.

Customer service involves all the activities that firms and their employees conduct or perform to satisfy customers. This means more than just handling complaints, providing refunds or exchanges on returns, and smiling at customers. Customer service also means going out of the way for the customer, doing everything possible to satisfy the customer and making decisions that benefit the customer even at the expense of the company (Brink and Berndt, 2004:55).

Many companies have different views of customer service. Christopher, Payne and Ballantyne (2001: 5) find that a range of views exists as to the definition of customer service. These included:

- All the activities required to accept, process, deliver and build customer orders and to follow up on any activity that erred;
- Timeliness and reliability of getting materials to customers in accordance with a customer's expectation;
- A complex of activities involving all areas of the business which combine to deliver and invoice the company's products in a fashion that is perceived as satisfactory by the customer and which advances a company's objectives;
- Total order entry, all communications with customers, all shipping, all freight, all invoicing and total control of repair of products; and

- Timely and accurate delivery of products ordered by customers with accurate follow up and enquiry response including timely delivery of invoice.

In fact, customer service is broader than any of these definitions and it is concerned with the building of bonds with customers and other markets or groups to ensure long-term relationships of mutual advantage. Customer service can be seen as a process which provides time and place utilities for the customer and which involves pre-transaction, transaction and post-transaction considerations relating to the exchange process with the customer.

Cook and Walters (2001:160) classify customer service into three broad product areas using their service content as a basis for differentiation:

- Product services, i.e. services that add value to the product, such as advice on how to use the product, its 'after use' care and maintenance, or possibly garment alterations to improve the fit of clothes;
- Service products, i.e. products that are service-based, such as financial services (investment, insurance, and banking); and
- Personal services, i.e. health and fitness-based products, such as opticians, health checks, and pharmacies.

A fourth category concerns the support activities of the business which enhance the overall offer and can be offered as internal or external facilities. These include:

- Internal facilities: crèches, cloakrooms, cash points, post office, dry cleaning, waiting areas; and
- External facilities: bus services to and from the store, stock availability information, home shopping and delivery.



Harris (2003:3) identifies the following examples of customer service:

- Free car wash with fill-up;
- Calling the customer by name;
- Easy return policy;
- Updated map of the area in rental cars;
- A doctor calling customers back to see how they are feeling after a professional visit;
- On-time delivery;
- Courtesy;
- Enthusiasm;
- Showing the customer that the service provider cares;
- Excellent follow-up;
- Empathy in handling customer complaints and questions;
- Well-explained instructions;
- Illustrations of encouragement;
- Suggesting a less expensive option; and
- Package carry out.

The concept of customer service is applicable to all industries and organizations and all their employees. It is not a concept that should be confined only to front-line people. Customer service is equally applicable to personnel serving the line, to finance departments serving the organization and also to senior executives who have to service their companies with a high

degree of leadership support and direction. Furthermore, customer service has direct relevance to public sector organizations as well as commercial firms. Local councils, government agencies, the National Health Service and the police force all have much to gain by developing their approach to customer service (Freemantle, 2003:66).

#### **2.4.2 Reasons for the importance of customer service**

One of the most effective and least expensive ways to market a business is through excellent customer service. Customers are an obvious requirement for doing business. The importance of customer service is at an all-time high. Businesses are realizing that providing a product or service alone is not enough in today's competitive economic environment. Issues like reliability, warranties, punctuality, flexibility of delivery, personal rapport and ease of ordering can all make a significant impact on the buyer's sense of the value of money (Hayes and Dredge, 2000:4).

Today, customers are much more sophisticated than they were even five years ago. They are informed about how products should perform and know that if they are dissatisfied with the service they receive, someone else probably sells it and will provide greater service. They may also expect that if they express their unhappiness with a situation, a positive result will occur (Harris, 2003:3).

Customer service is in style. People are talking about its importance and go into the marketplace expecting to receive it. The provision of customer service is an important component of the business cycle. In many cases, customer service is the positive element that keeps current business coming back. The customer service provider is frequently the one who "saves the day" and the account.

In today's volatile economy, providing excellent customer service can be the critical difference in a company's success.

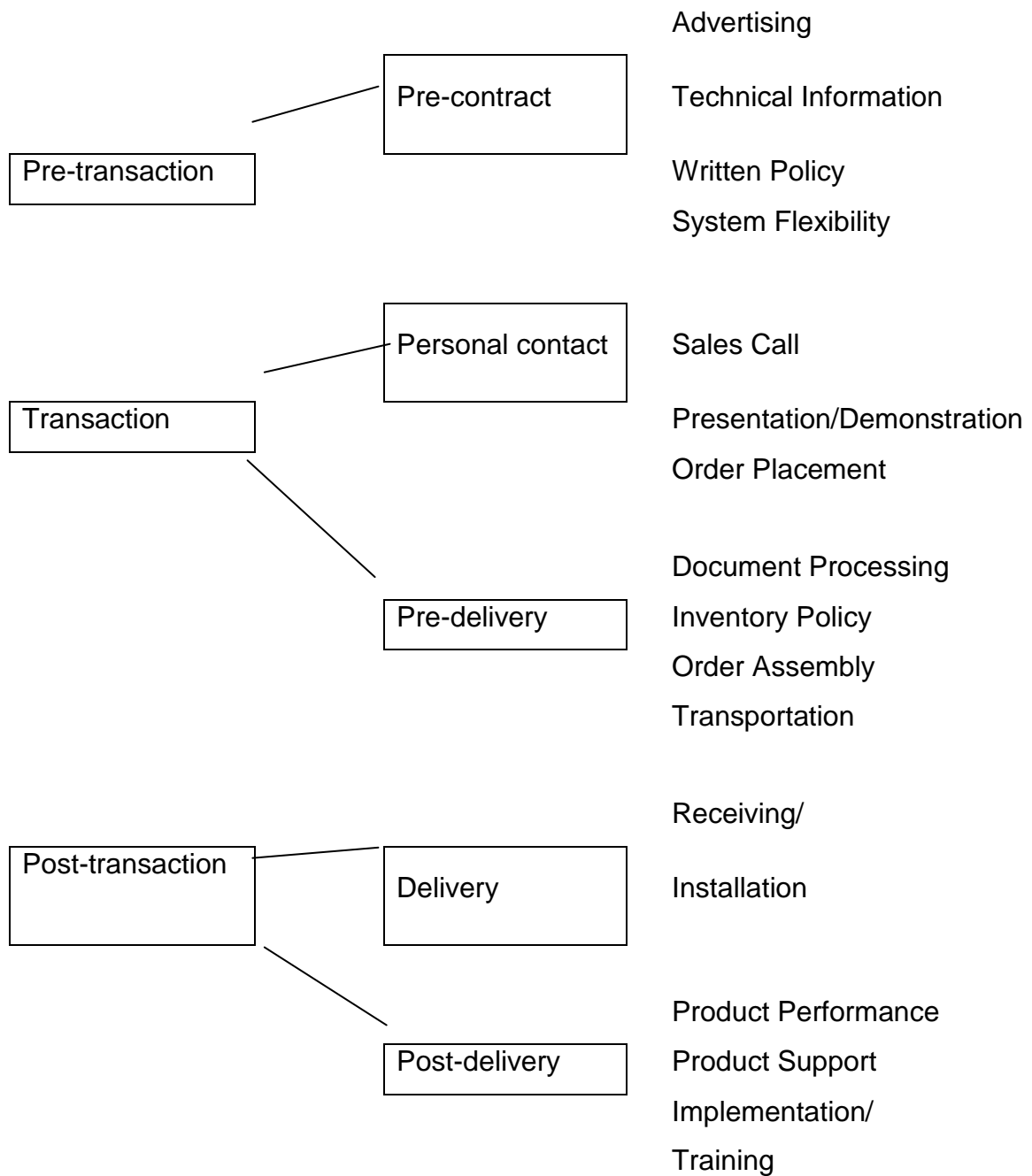
### **2.4.3 Three components of customer service**

Gerson (2000:25) articulates the three major components of customer service to include the following:

- Pre-transaction service;
- Transaction service; and
- Post-transaction service.

Very simply, the pre-transaction element of service refers to the systems, structures and environment which firms seek to create before the sale takes place. The transaction components are those which the customer experiences during the sales process and the post-transaction element refers to the after-sales content.

**Figure 2-3: Customer service components**



Source: Lalonde & Zinszer (1976:127)

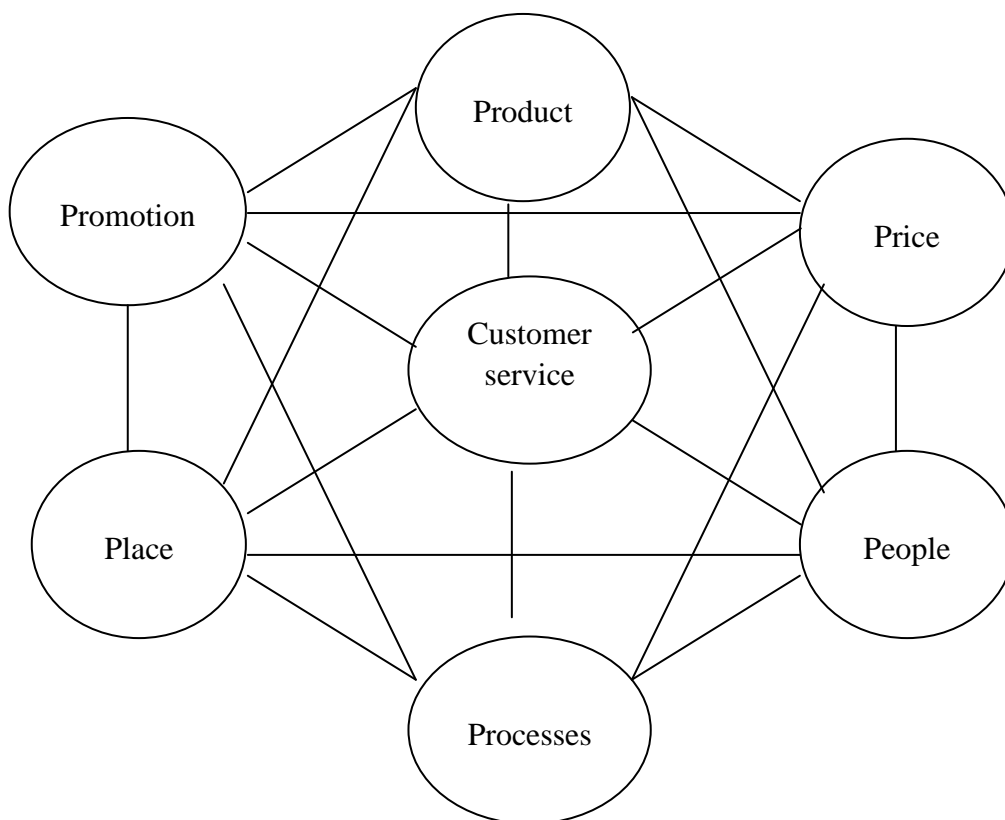
Customer service has an important part to play in both the pre-transaction, transaction and post-transaction stages of the relationship with the customer. While virtually all the literature on customer service is concerned with the relationship between a company and its customers, it should now be apparent that customer service has a role to play in the other markets outlined.

Members of supply markets, referral markets, employee markets, internal markets and 'influencer markets' need to be served in the same way that customer markets are. The concepts of customer service have application in establishing and maintaining relationships with all these key markets (Christopher, Payne and Ballantyne, 2001:31).

#### 2.4.4 Customer service with expanded service marketing mix

The service marketing mix in Figure 2-4 suggests seven elements- the traditional four Ps of product, price, promotion and place, plus three additional elements of people, processes and the provision of customer service need to be considered.

**Figure 2.4: Service Marketing Mix**



Source: Gilbert (2003:75)

The provision of customer service, which creates a clearly differentiated and superior value proposition, to specific customer segments, becomes a central focus on which to consider the other marketing mix elements.

There is some disagreement whether customer service should be included separately as an element of the marketing mix or whether it forms part of one or more elements of the marketing mix. According to Christopher, Payne and Ballantyne (2001:87), customer service is another element of product strategy and suggests its importance will be dependent on which of the following four categories the product falls under:

- A pure tangible good. Here the offer consists primarily of a tangible good such as soap, toothpaste or salt. No services accompany the product;
- A tangible good with accompanying services. Here the offer consists of a tangible good accompanied by one or more services to enhance its consumer appeal;
- A major service with accompanying minor goods and services. Here the offer consists of a major service along with some additional services and/or supporting goods; and
- A pure service. Here the offer consists primarily of a service.

However, customer service is now often seen as falling in the province of the distribution and logistics function. The view of customer service as the outcome of the distribution and logistics functions seeks to explain its significance in terms of the way in which products or services are delivered and the extent to which customers are satisfied especially in the context of reliability and speed of delivery. Earlier definitions of customer service such

as 'a system organized to provide a continuing link between the time that the order is placed and the goods are received with the objective of satisfying customers' needs on a long-term basis' have expanded somewhat in recent years. Christopher, Payne and Ballantyne (2001:13) suggest that the relative importance of customer service in a range of industries including food, chemicals, petrochemicals, autos, paper, electronics, clothing and textiles contrasted with other elements of marketing mix including advertising, promotion, and sales effort.

#### **2.4.5 Excellent customer service is so rare**

Customer service is given a lot of lip through expensive training programmes and parades of certificates of the people who have attended them, through posters and exhortations and even through declarations of intent to customers. However, in practice, the success rate has been poor. Too many organizations have yet to get the simplest aspects of customer service right – for example, getting through on the telephone quickly, or answering letters promptly, or getting a service engineer to arrive punctually (Freemantle, 2003:5).

Harris (2003:52) points out that customer service is rare because it requires two things that the average person and organization are unwilling to commit to: spending money and taking action. In business, everyone talks about how important customer service is, but most people don't really know how to provide outstanding customer service. Freemantle (2003:5) said that in the real business world, for many, both within an organization and customers of it, the idea of customer service has become a bit of sham, a bit of a gimmick. It has become a superficial and fashionable phrase which, in practice, has little meaning. In fact, the term 'customer service' is used as a bureaucratic cosmetic in a superficial attempt to hide the ugly cracks in the way the company treats its customers (Freemantle, 2003:7).

Customer service is much more than having a great attitude or being a people person. To prepare to provide excellent customer service, one must develop the skills to be successful. Harris (2003:53) suggests that, in addition to developing skills, organizations must assess their current level of customer service and determine if they appropriately meet their current customers' needs. Customers are changing all the time. In addition to the people, the circumstances that customers and organizations are required to operate in may change. If customer policies were established a number of years ago, or if the customer base has changed, current procedures for operation may no longer be effective. Companies must develop strategies that meet today's customer's needs.

Employees must be empowered to make decisions to benefit their customers. They must have managers who carefully hired the right people for the jobs and employees who are adequately trained to anticipate the challenges that may arise daily. Carr (2002: 211) believes that customer service is more than having a great attitude; it does require having the right attitude. Some people become so involved in trying to provide excellent customer service that they lose sight of the little things that the customer would appreciate.

There is nothing magical or clever about customer service, it is in fact very basic. The problem is that too many companies have ignored these basics, concentrating their energies on product marketing and financial performance at the expense of the customer. Customer service should be a fundamental and integral aspect of any business and should be given equal weight in strategic considerations about the company's future (Brink and Berndt, 2004:92). In fact, as customers acquire more disposable income during the last decade, their criterion of choice will rely less on product and price but more on service. With the increasing availability of modern technology, companies will find it relatively easy to compete on products. What they will find more difficult to do is compete on service, for service not only depends on



modern technology but also on the attitude of its people and, therefore, the capability of its managers.

The challenge of providing excellent customer service never ends. Harris (2003:53) articulates that individuals must periodically examine their performance to ensure that they are continuing to practice the positive skills that make providing customer service enjoyable and efficient. It is easy to slip into old behaviours when customer service providers are busy or have additional stress in their lives.

Management must periodically measure customer satisfaction. Just because an organization thinks that its customers are pleased with what the organization is doing for them doesn't mean that customer service is excellent. The customer must be asked questions concerning what is being done well and what could be improved. Customers have many concerns in their lives; just because they have not complained doesn't mean that they don't have complaints or suggestions.

#### **2.4.6 Barriers to customer service**

Numerous obstacles stand in the way of the delivery of excellent customer service. Some of the common barriers include management philosophy; making it difficult for customers with a problem to contact a company or the person who can really help; unreliable equipment; restrictive company policies; difficult-to-understand warranties or owner's manuals; out-of-date procedures; or a lack of understanding of the value of service. These barriers are, in most cases, beyond the control of the customer service provider and, unfortunately, a common part of doing the job (Gerson, 2000:117).

According to Harris (2003:14), some barriers to excellent customer service are within the control of the customer service provider. These challenges can be overcome through diligent effort, allowing the customer service provider to do

the best possible job. Some of the most common barriers to excellent customer service are:

- Laziness;
- Poor communication skills;
- Poor time management;
- Attitude;
- Moodiness;
- Lack of adequate training;
- Inability to handle stress;
- Insufficient authority;
- Serving customers on autopilot; and
- Inadequate staffing.

Customer service providers must perform periodic self-evaluations to assess their effectiveness and to identify the areas that need improvement. When that assessment is made, the individuals must take the initiative to make changes and must monitor themselves so that they don't slip into their old habits (Gerson, 2000:118).

#### **2.4.7 Cost of losing a customer**

Because of the increased expectations of customers and the competitiveness of the marketplace, customer service providers are recognizing the high cost of losing customers. It takes little effort to lose a customer. When service providers neglect their concerns, treat them disrespectfully, and fail to follow through with results, customers will be tempted to make their exit.

Gabbott (2002:217) explains that when customers cease to do business with a firm and begin to do business with its competitors, several unfortunate situations occur:

- Losing income that business relationship created. This loss may seem insignificant to begin with, but over a period of time it can prove to be quite damaging;
- Losing the jobs that clients provide. If business goes elsewhere, it does not need to employ the people who were working on the account;
- A third situation that may occur is the loss of reputation. Word travels fast in the information-based society. Customers will possibly share their experience with their clients and friends. This loss may result in the immediate departure of other business or simply in a lack of trust among current clients and any potential customers; and
- A final challenge is the loss of future business. This is an intangible variable because it is difficult to assess the long-term effects of what might have happened in the future.

#### **2.4.8 The cost of bad customer service**

Some companies may think that they can get away with bad service but there is no doubt that it is costly. Costs arise in handling complaints; in paying refunds or handling returns; in legal action dealing with customer protection bodies; and in the necessary corrective public relations.

However, indirect costs are likely to be far higher and will accrue from lost sales to those who are told about the bad service and, above all, from the cost of acquiring new customers to replace those lost. The latter cost can be ten times greater than the cost of retaining existing customers through good

service. The greatest cost of all is the cost of lost opportunities (Blem, 2000: 7).

#### **2.4.9 Customers' perceptions**

When one interacts with others, one must be aware of his/her perceptions of situations, experiences, and people. A perception is the way that one sees something based on his/her experience. Everyone's perception of a situation will be, at least, slightly different (Gerson, 2000:155).

Perceptions are frequently developed over a period of time and reflect the ways that one has been treated, his/her values, priorities, prejudices, and sensitivity to others. Two people can share the same experience and then describe it differently. Unfortunately, perceptions are not necessarily based on rational ideas and may be influenced by momentary frustration and anger. Since perceptions are so full of mystery, it is important for the customer service provider to anticipate customer resistance based on the customers' prior interactions and always to work at providing the customers with excellent service so that their most current perception is a positive one. Customers may not remember every detail of an experience, but they will retain an overall feeling about it. That "feeling," in combination with other experiences, will create their perception of the company (Gerson, 2000:156).

Freemantle (2003:97) believes that whenever is possible, try to deal with customers as individual human beings. Respect their time, circumstances, and priorities. Always convey to customers that the company appreciates the time it takes them to do business with the company. Ask the customers if there is anything else that they can be helped. Periodically, ask the customers how the firm is doing. The feedback that they give will provide insights as to how they perceive the organization.

## **2.4.10 Customers' expectations**

Every customer walks into a known or unknown situation with a set of expectations. Expectations may be positive or negative. Expectations are usually based, at least partially, on the perceptions. If the customers' last experience with a company was negative, they may approach a new situation with the expectation that they will again be dissatisfied. Because of this, they may approach the interaction "armed and ready" for battle (Gerson, 2000:157).

Sometimes, companies or individuals wrongly assume that they cannot live up to their customers' expectations. This assumption frequently stems from a misconception of what the customers expect.

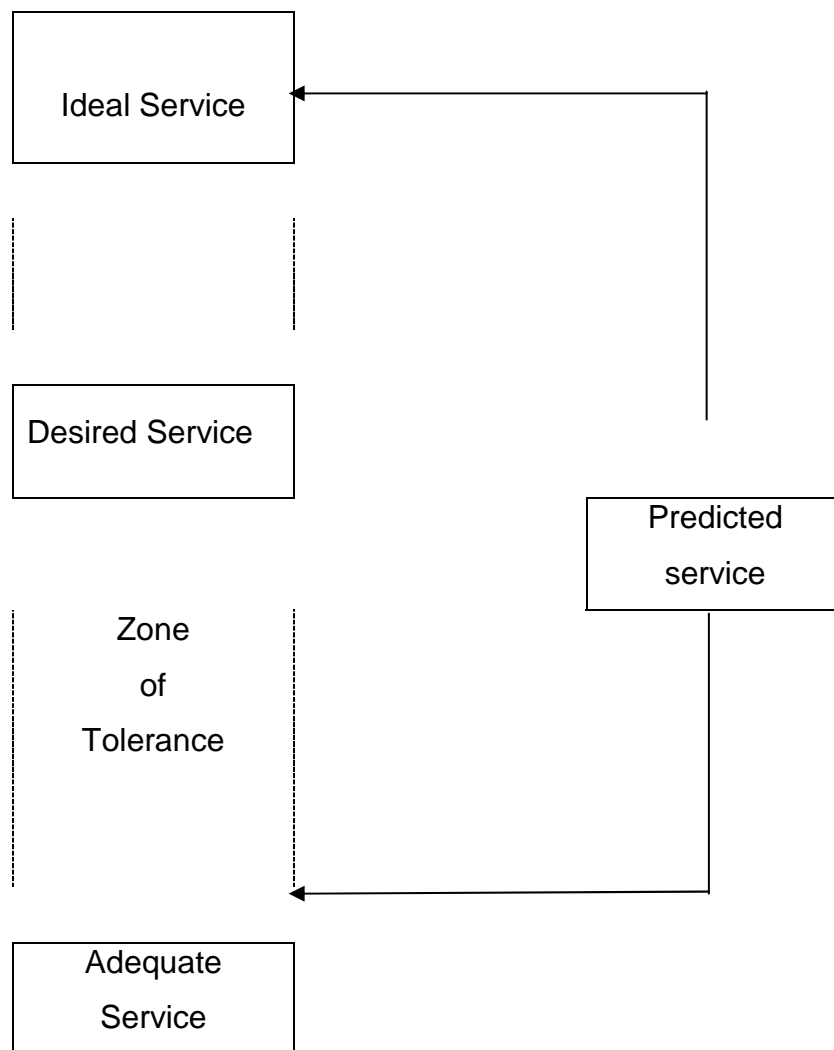
### **2.4.10.1 Levels of expectations**

Harris (2003:166) says that customer service providers must recognize that customers have different levels of expectations. Expectations can be divided into two distinct categories: primary expectations and secondary expectations.

Primary expectations are the customers' most basic requirements of an interaction. When dining at a restaurant, customers primary expectations are to satisfy their hunger, to let someone else do the cooking, and to pay a reasonable price.

Secondary expectations are expectations based on the previous experiences that are enhancements to customers' primary expectations. A customer's expectations change constantly and each customer will have his/her own unique set of expectations. While this is a challenging reality, it provides a unique opportunity for service providers to strive consistently to be what the customers want them to be.

**Figure 2-5: Levels of expectations**



Source: Zeithaml and Bitner (2003:35)

- Ideal Service

The ideal service level is the “wished-for” level of service consumers would like.

- Desired Service

The desired service level is the level of performance the customer wants or hopes to receive from the service. In both of these situations, the desired level of service is lower than the ideal level of service (Kurtz & Clow, 2002:67).

- Adequate Service

The adequate level of service is the minimum level of service the consumer will tolerate and accept without being dissatisfied.

- Predicted Service Level

The predicted service level is the level of service consumers actually expect from the service firm. The predicted level of service can range from the ideal level of service to the adequate level of service.

#### **2.4.10.2 Issues involving customer service expectations**

Customers want the service to be delivered as promised. They expect companies to do what they are supposed to. The worst thing a company can do is show a strong interest in understanding what customers expect and then never act on the information.

#### **2.4.10.3 Techniques for exceeding customers' expectations**

Many companies talk about exceeding customer expectations – delighting and surprising customers by giving them more than they expect.

Harris (2003:173) suggests that to exceed customers' expectations, firms can try the following:

- Become familiar with customers. Get to know who they are and why they do business here. Find out their likes and dislikes;
- Ask customers what their expectations are. Find out what they see as the benefit of doing business here. What would they like to do that firms aren't already doing?
- Tell customers what they can expect. Convey to customers the firm's commitment to them;

- Live up to their expectations. Follow through by accomplishing what firms have said that they would do; and
- Maintain consistency. Don't promise what firms cannot deliver, but always deliver a consistent service. Customers like to know that they will have the same positive experience every time they interact with the firm.

One important key to exceeding customers' expectations is to remember that expectations are always changing. What was previously in excess of customers' expectations may suddenly be no different from what all the competitors are doing. If firms fail to stay current with their competition, they may fail to live up to their customers' current expectations.

#### **2.4.11 The trends in customer service**

Several new trends are emerging in the customer service industry. These trends reflect the ways in which customers approach a business interaction and the ways that businesses are preparing to respond to them. The trends include accessibility for the customer, immediacy of response, feedback from customer to customer service provider, outsourcing of all or part of customer service functions, and non-traditional examples of customer service (Gabbott and Hogg, 2002:267).

##### **2.4.11.1 Trend one: accessibility for the customer**

Carr (2002:136) says that customers today have more access to information about their account status, billing, delivery, and product availability than ever before. This accessibility has, in many cases, reduced the questions that customer service providers must respond to, leaving them to respond to more unique requests. Customers appreciate the control that this accessibility allows them, and it reduces the number of routine questions that customer



service providers must answer. It is also a wonderful illustration of technology at work.

#### **2.4.11.2 Trend two: immediacy of response**

Immediacy of response is another trend in customer service. With technology, customers can have questions or problems resolved almost immediately. Customer service providers are also more fully empowered to make decisions in response to customer inquiries that previously would have been taken to a higher level supervisor.

#### **2.4.11.3 Trend three: feedback**

Feedback is important to all businesses and can provide opportunities for growth in the customer service department. Carr (2002:139) says that customer suggestions are now frequently requested and encouraged. Independent research departments or companies to survey customer response may contact customers. Customer service providers are also beginning to keep logs of customer suggestions and requests so that improvements can be made efficiently. Customers appreciate the chance to share their ideas and to see changes being made.

#### **2.4.11.4 Trend four: outsourcing of customer service function**

As businesses seek new strategies to improve performance, save money, and effectively address increasingly technical requests, outsourcing may be an effective alternative (Harris, 2003:270). Competition has forced many industries to begin outsourcing such functions as payroll, data processing, billing, maintenance, marketing, accounts receivable, and many more. The specialized customer service needs of many businesses are also being outsourced. Outsourcing can provide cost savings in rent, benefits, equipment, and short-term employee expense, and it can also allow

organizations of all sizes to better serve their customers. For example, when special equipments are necessary to serve customers, some organizations may find that they cannot afford to provide this service. By hiring a carefully chosen outside company to handle specialized technical questions, customer concerns, and product inquiries, customer response time can be decreased and the cost of providing the service shared among participating companies. Carr (2002:142) explains that the most positive potential benefit is increasing customer retention-keeping current customers actively involved in doing business because their needs are met and they are never tempted to look elsewhere for better service.

#### **2.4.11.5 Trend five: non-traditional examples of customer service**

Customer service is an important part of the overall marketing strategy; this has encouraged the development of some non-traditional approaches. For example, the offering of informational newsletters to customers. Informational newsletters sent periodically or handed out are non-threatening to customers because they share information, new product or service offerings, new systems, or service hours; they also remind customers that the company is available and ready to serve them again. Newsletters have the luxury of being seen by customers as informational pieces that aren't trying to sell something. They are really selling the company, but the approach is subtler; therefore, it is less threatening (Harris, 2003:78).

#### **2.4.12 Rewards of providing excellent customer service**

Companies that provide excellent customer service experience many rewards. Ten of the most beneficial are:

- Customers approach business expecting a positive experience;
- Work is more personally fulfilling;

- Customers act as co-producers (when appropriate) in assisting in the provision of their own customer service;
- A unique competitive edge is achieved;
- Customer challenges are recognized and productive solutions are developed to successfully retain current customers;
- Problems are creatively solved in an effective and efficient manner;
- Customer service providers and management feel positive about the roles that they are playing in creating positive exchanges between customers and their organization;
- Work environments are more pleasant and productive because the value of internal customer is stressed through organization policies, procedures, and culture;
- Businesses earn a positive reputation and the respect of customers and peers; and
- Profit goals are more successfully accomplished because business philosophies and focus are on satisfying customers (Harris, 2003:156).

However, the challenge of seeking and achieving excellence in customer service is not easily overcome. Christopher (2000:216) says that equipped with the knowledge necessary to create an environment that encourages excellent customer service, and the skills to successfully compete in the industry, the next step is to embark on the path of achieving individual and organizational excellence in customer service.

## 2.5 CUSTOMER SATISFACTION

Keeping customers happy is good for business. The marketing concept has proven that companies do not have to sacrifice profitability to keep customers happy. In fact, firms which consistently rank high on customer satisfaction also rank high in profitability; these companies have more loyal customers. The happier their customers are with a product or service, the more likely they are to buy it again, and the less likely they are to switch to competitors' products (Blem, 2000: 14).

The original meaning of satisfaction is linked to an adequacy construct. However, as with the word 'quality', the meaning of satisfaction has evolved to imply gratification and fulfilment. Within the concept labelled satisfaction, Rust, Zahorik and Keiningham (2002:55 ) suggest that there are many satisfaction states, for instance, contentment, surprise, pleasure and relief. Sprend, MacKenzie and Olshavsky (2001: 265) drew attention to the fact that satisfaction must incorporate both the needs and the desires of the consumer. They argue that it is the failure to include consumer desires that has caused the logical inconsistencies in satisfaction research. Indeed, if satisfaction is to be defined in terms of an emotional response, the consumers' desires and their individual goals must play a part in determining satisfaction.

Customer satisfaction is created by correctly matching the needs of customers with the information, goods, and services that firms offer. If there is one guiding retail principle to follow, it is to "know customers and their needs". By focusing on customer satisfaction, firms will enhance the lifetime value of customers as they continue to patronize their store for years to come and refer friends or family members.

Rust, Zahorik and Keiningham (2002:244) report that customer satisfaction is believed to be associated with fruitful customer behaviour from the firm's point

of view. Many positive links have been observed between customer satisfaction, loyalty and the propensity to recommend the supplier's offer to other customers. However, their study shows that the results of many studies on these links were not correctly evaluated: 'much of our knowledge of how customer satisfaction is related to customer behaviour is derived from studies which include either very satisfied or dissatisfied customers'.

The link between customer satisfaction and behaviour and the consequences it has on loyalty, word of mouth and feedback to the supplier must not be over emphasized. Behavioural variables are all the more difficult to interpret when consumer's level of satisfaction is extreme, whether it is high or low. Consequently, the fact that customer satisfaction includes loyalty may be considered but not taken for granted because of its link to numerous behavioural variables (Griffen, Norton and Samuels, 2002:311).

Customer satisfaction is not only linked to past experiences or what has been heard through word of mouth, but it is linked to the process of consuming itself. That is to say, consumers are not just satisfied or only with a product or a service. There are degrees of satisfaction. Consumers might be very satisfied by some aspects of the products and be very dissatisfied by other aspects. Davies (2001:287) explores the impact of disconfirmation, and actual waiting times on customer satisfaction. It has been found that if customer satisfaction does not necessarily guarantee customer loyalty, dissatisfaction will cause customers to take their businesses elsewhere.

Churchill and Peter (2003:178) state that customers who are dissatisfied with the level of service they have received will be less likely to return in the future, or if they do return, they will most likely to do so with less frequency than they did in the past. Conversely, customers who are extremely satisfied with their service experience with a given firm will most likely continue to return to that firm at the same frequency or even more frequently. Once again, the

customer's experience with the service firm is also likely to be multiplied through interactions with other prospective customers through word of mouth (Cadogan, and Diamantopoulos, 2004:353).

Satisfied customers seem to have fewer friends than dissatisfied ones and the latter appear to have louder voices. Put simply, people are far more likely to be vocal about things that go wrong as opposed to those that go right (Cartwright, 2002: 89)

Consumers may be satisfied or dissatisfied with the contact person, the core service product or any of its attributes, the surroundings or any part of the services and with the service organisation overall. As a result, satisfaction can be conceptualised as a state of mind that can constantly change and be reassessed over the encounter, or a series of encounters, and is not static even within one encounter (Gabbott and Hogg, 2002: 105).

Hasty and Reardon (2001: 121), therefore, point out to the fact that one must not underestimate the value of the ability to uncover customer satisfaction problems. This may sound like an easy proposition except for one factor: half of the customers who have a problem will not talk to anyone in the company and only between 9 and 37 percent of them will ever return. These implications of these numbers are clear. Not only must companies strive to create an environment within the firm that will foster customer satisfaction, but they must also seek to train employees to be alert to customer problems.

By creating customer satisfaction, an organisation can retain their existing customers and attract new business, thus improving market share. On this basis, what is interesting from a consumer behaviour perspective is not the relationship between customer and satisfaction, but the overall evaluative judgement that the consumer makes about the service (Gabbott and Hogg, 2002: 105).

## **2.6 CUSTOMER SERVICE IN THE RETAIL INDUSTRY**

Retailing is defined as the activities involved in the sale of goods and services to consumers for their personal, family, or household use. An expanded definition of retailing is marketing activities designed to provide satisfaction to final consumers and profitably maintain these customers through a programme of continuous quality improvement (Harris, 2003:10).

For the retailing industry, because of the growth of service sections in the overall business activities, many traditional retailers are now combining service and product retailing. The retailers who combine goods and services into one offering have realised that the goods and services should complement each other, be a logical extension for the store, and not adversely affect the store's image (Hasty and Reardon, 2001:87). Combination retailing will continue to grow rapidly in the future.

Currently, a great deal of retailing management involves taking decisions based upon judgment, information and experience. All areas of retail management should, therefore, be fully informed of the ways in which the services and products on offer are a key to the processes used by customers to judge competing retail services. Service standards are, therefore, directly related to the way service activities create store or channel selection, loyalty and fulfillment. The changing expectation of the consumer is driving the need to ensure that services are planned to be acceptable. Changes are constantly occurring which leads to a variety of options for the delivery of services. If the trend in the delivering lower contact services is examined, its growth is often due to the benefit of a company achieving lower costs. However, less contact is not necessarily a service weakness, as it is perceived to be beneficial for certain customers (Gilbert, 2003: 87).

Berman and Joel (2000: 210) point out that the elements which could be assessed in the course of establishing the position of a service could also include: availability of items the customer demands; after-sales service and contact; the way the order and queries are handled; the reliability and safety of the items being sold; availability of sales literature and brochures; the number and type of items which can be demonstrated; technical knowledge of staff and the way an employee deals with a complaint.

Cook and Walters (2001:161) suggest that clear customer service objectives would be:

- To increase the customers' utility of the basic product by adding support services;
- To create interest in a product group and to increase customers' satisfaction from a purchase by demonstrating its application and other potential uses;
- To create additional customer traffic;
- To increase the range and value of customer purchases;
- To use services to increase customer convenience; and
- To use service to increase sales and profits.

## **2.7 COMPLAINT AND SERVICE RECOVERY**

As Bateson (2002:75) points out, service failures are an inevitable fact of life. The very nature of services means that some things will go wrong, either as a result of the delivery system, the actions of the employees or indeed the customers themselves. Gabbott and Hogg (2002:116) believe that service failure generally is assumed to lead to consumer dissatisfaction. However,



recent work on service recovery suggests that, properly handled, this dissatisfaction does not necessarily lead to customer defection.

Zeithaml, Parasuraman and Berry (1990:98) suggest that service managers should look on service failure as an opportunity and develop recovery strategies. However, before service organizations can institute a recovery strategy, they must be aware that the service has failed. Whilst in some cases this may be obvious, in many cases the only indication that the service organization perceives a breakdown in the service is when the consumers are dissatisfied and they complain.

Why do customers complain? They complain because the product or service they've bought doesn't meet their expectations. They complain because they are inconvenienced, or because they are not treated properly. Perhaps they don't like being ignored or having people talk down to them, or they dislike being addressed rudely or abruptly. There are many reasons why customers complain and staff should take note of the complaints. After all, staff are customers too, and also get upset with bad service (Blem, 2000:138).

Complaints often escalate from minor problems into disasters because of a lack of perception from the organisation as to the apparent seriousness of the situation as viewed by the customer. Cartwright (2002:66) sets out a series of scenarios relating to customer complaints:

- The organisation knows what has gone wrong and it is the organisation's fault;
- The organisation knows what has gone wrong and does not think it is the organisation's fault but the fault of a supplier;
- The organisation knows that the fault is beyond the organisation's control;
- The organisation does not know whose fault it is;

- The organisation cannot believe the customer expected that particular service; and
- The organisation has no idea that there is a complaint as the customer walked away and never uses the organisation again.

Alicke (2001:59) suggests that complaining behaviour is ubiquitous: everyone complains sometimes. Complaining is distinguished from ordinary criticism in that it expresses a source of dissatisfaction, thus it is not merely a comment on what has occurred, and it leads to a subjective judgment on the part of the consumer. When faced with an unsatisfactory incident, not all consumers complain.

Berman and Joel (2000:488) also believe that a dissatisfied customer should always be cause for concern because many unhappy customers do not complain — at least not to the company. Instead, they tell family and friends of their dissatisfaction. Many switch to other products or services.

Blem (2000:138) suggests that rather than viewing them as a problem, customer complaints should be seen as a tremendous opportunity. If customers' complaints are ignored they can threaten the company's very existence; handled well, they could result in significant future sales.

If complaints are handled effectively, they can provide the company with the opportunity to retain customers who might otherwise switch. Equally important, complaints provide information about perceived and actual problems, and strengthen the links between the firm and its customers. By analyzing complaints, managers can deal with the causes of problems. This may mean making design changes, improving quality, or facilitating better communication by eliminating bad sales practices or misleading advertising (Blem, 2000:139).

Alicke (2001:61) suggests that a single service problem is unlikely to completely destroy a customer's confidence in the firm except in circumstances where the service failure is extremely serious. Bateson (2002:76) points out that consumers expect services to ail occasionally. However, they also expect service providers to take responsibility for the failure and to act to recover the situation. An effective response to service failure can have a positive influence on evaluation. However, in order to recover a service failure, the provider must do more than the original service because consumer expectations of recovery are generally assumed to be higher than for the original service.

Gabbott and Hogg (2002:120) thus believe that a key element in effective recovery is the consumer's deserved expectations, or the consumer's belief that they have been treated fairly. In reality, this means that their complaints have been recognized and appropriate steps taken to solve the problem even if the service itself is not recoverable.

## **2.8 CUSTOMER SATISFACTION AND LOYALTY**

A satisfied customer or a customer who perceives high service quality is more likely to return. Customers who perceive higher levels of service quality (and satisfaction) will demonstrate greater commitment to the organization and, therefore, repurchase behaviour and loyalty (Gabbott and Hogg, 2002: 123).

Abram (2000:14) indicates that the more satisfied customers are, the more they will buy. The more they buy, the longer they will continue to purchase. Customer satisfaction leads to customer loyalty.

According to Gremler and Brown (2000:258), the concept of service loyalty is distinct in a number of ways from the characteristics of loyalty displayed in

relation to more tangible product offerings. Their case is the result of several observations which can be summarized as:

- Service organizations have the opportunity to create stronger loyalty bonds with their users through direct interaction and simultaneous presence allowing for loyalty to develop;
- There is evidence that loyalty is greater or more prevalent among service consumers, due, for instance, to higher switching costs; and
- The existence of greater perceived risk when purchasing services provides an atmosphere with a higher propensity to customer loyalty as a risk-reducing device.

However, Abram (2000:15) also points out that it is just not the case that satisfied customers will always buy more, or more frequently. Equally, it is an observable truth that not all loyal customers are satisfied. The relationship between satisfaction and loyalty is illustrated in Figure 2.6

**Figure 2-6: The Satisfaction and Loyalty Matrix**

		LOYALTY	
		Low	High
SATISFACTION	High	Switchers	Advocates
	Low	High risk	Vulnerable

Source: Abram (2000:72)

Only the advocates, those customers who are both satisfied and loyal, can be relied on to deliver long-term value to the company. Numerous studies have

demonstrated consistently that dissatisfied customers are less likely to buy again; that they tell their family and friends of the reasons for their dissatisfaction; and that it takes many more satisfactory service encounters to make up for one negative incident (Abram, 2000: 14).

## **2.9 CONCLUSION**

This chapter has considered the bases for the factors which influence customer service and customer satisfaction. It is believed that retailers must prioritize their customers and provide excellent customer service to satisfy their customer and achieve loyalty. Various concepts relating to customer service have been identified in this chapter. Retaining customers by achieving customer satisfaction is the core of obtaining long term profitability. Companies need to realize this important factor by including customer service into their strategies, it is a continuous process for change that needs to be understood by everyone.

Chapter three will outline the research methodology. This is followed by a description of the research process, in particular the administration of the questionnaire and the conduct of the interviews. The results and a report of the empirical study will be presented as well, to investigate by means of a practical survey the customer service in the selected chain stores.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

Customer service and customer satisfaction have been reflected in the preceding chapter. This chapter commences with a review of the research methodology. It shows how the research is designed and collects data from different aspects. It provides insight into the sampling method used, questionnaire and various other techniques used to analyze the data. The ethical issue will also be considered in the research. The research will finally conduct an empirical study into customer service provided by Pick' n Pay stores.

#### **3.2 RESEARCH DESIGN**

Leedy (2001: 93) defines research as the systematic process of collecting and analysing information to give us a thorough understanding of the subject in which we are interested. The research design forms a key element of the empirical study. The design process could be seen as the planning of the research, the visualization of the data and the problems experienced with the use of such data in achieving the final outcome of the research project. This research was a quantitative study and evaluated customer service and customer satisfaction at selected Pick 'n Pay stores in the greater Durban area. Quantitative methods are generally concerned with counting and measuring aspects of social life. By quantitative method, researchers have come to mean the techniques of randomized experiments, quasi-experiments, paper and pencil 'objective' tests, multivariate statistical analyses, sample surveys and the like (Blaikie, 2000: 232).

The approach to be adopted for conducting the research, depends on the nature of the investigation and the type of data and information that are required and available. The survey approach, therefore, was used. Naoum (2001: 44) articulates that surveys are used to gather data from a relatively large number of respondents within a limited time frame. It is thus concerned with a generalized result when data is abstracted from a particular sample or population. The research was descriptive, aims to answer such questions as, how many? Who? What is happening? Where? and When? It deals with counting the number of respondents with certain opinions and attitudes towards the service quality that Pick' n Pay stores provided. Malhotra (2001:87) defines descriptive research as "a type of conclusive research which has as its major objective the description of something". Thus, the research, marked by a clear statement of the problem and detailed information needs, as was shown in the first chapter, corresponds to descriptive research. The research used a cross – sectional methodology as the respondents were considered at a fixed point in time. The cross – sectional study is the most frequently used descriptive design in marketing research. Cross – sectional designs involve the collection of information from any given sample of population elements only once" (Malhotra, 2001:89).

### **3.3 POPULATION**

A population refers to the entire group of people, events or topics of interest that the researcher wishes to investigate. A population is considered to be any group that shares a set of common traits (Thomas, 2001: 111). The population of interest is called the target population. Data should only be gathered from objects in the population of interest. Properly defining the target population is a crucial step in the design of the research project (Crask, et al. 2000:176). The target population in this research was all people who shop at Pick' n Pay. A comparison amongst various race, age, and gender

were also considered since the researcher believes that these factors could influence the research results. The research was undertaken in those Pick' n Pay stores, which are located in the Greater Durban area.

### **3.4 SAMPLE SIZE**

A sample is a subset of the population. It comprises some members selected from the population. Nevertheless, if the sample is selected in a proper way, one can make an inference about the population as a whole (Ader & Mellenbergh, 2002: 111).

The sampling size was administrated for a non-probability convenience sample of 400 respondents who are shopping at the selected five Pick 'n Pay stores. Each store was allocated 80 questionnaires. According to Sekaran (2000:295), sample sizes larger than 30 and less than 500 are appropriate for most research. Leedy (2001: 211) also believes that the population size is almost irrelevant if it is beyond a certain point (about 5000), a sample size of 400 thus will be adequate. This view is also backed by Struwig and Stead (2001:119) who state that if the sampling process has been correctly followed, sample sizes of 50 to 500 can provide an acceptable reflection of the population. The stratified sampling method was applied in the five regions e.g. Pick' n Pay store in La Lucia (North of Durban), Sanlam (West of Durban), Pavilion (South of Durban), East and central Durban (Workshop and Musgrave). A shopping centre within each area was chosen, using judgemental sampling, and then respondents were chosen using convenience sampling.

### **3.5 SAMPLING METHOD**

According to Malhotra (2001:330), the target population can be defined in terms of elements, sampling units, extent, and time. An element is the object



that possesses the information sought by the researcher and about which inferences are to be made. In this research, the sampling elements were chain stores' consumers. A sampling unit is the basic unit containing the elements of the population to be sampled. In this case, the sampling units were Pick' n Pay stores. Extent refers to the geographical boundaries. This was defined by the greater Durban area. The time factor is the time period under consideration. For this research, the period under consideration was February 2006. In this study, non-probability sampling was used, as it was impossible to identify the elements beforehand, as there was no list available corresponding to the required elements and so random sampling was not possible. Non-probability sampling relies on the personal judgment of the researcher rather than chance to select sample elements. These sampling techniques do not use chance selection procedures (Malhotra, 2001:33)

There are two steps to sample the population for this study. First, the sampling units, that is to say the place where the interviews are conducted is to be selected. Thus judgmental sampling will be used to choose those units. According to Malhotra (2001:335), judgmental sampling is a form of convenience sampling in which the population elements are purposively selected based on the judgment of the researcher. In judgmental sampling, researchers decide the purpose they want informants (or communities) to serve, and go out to find some. Judgmental sampling is used where gathering specialized informed input on the topic area researched is vital and using any of the probability sampling designs would not offer opportunities to gain the specialized information (Bernard, 2002 : 182).

This method is required as the places which are believed to be representative of the target population had to be chosen subjectively (Crask et.al, 1995:177). The selected Pick' n Pay stores are located in the large shopping malls in the greater Durban area; it therefore seems reliable to represent the target population.

The second step is to select the respondents who are interviewed with the convenience sampling method. "Convenience sampling is a non-probability sampling technique that attempts to obtain a sample of convenient elements". The selection of sampling units is left primarily to the interviewer (Malhotra, 2001:335). Bernard (2002: 184) states that convenience sampling will be used in terms of the selection of respondents. It is a glorified term for grabbing whoever will stand still long enough to answer your questions; it is useful in exploratory research, in phenomenological research, in ground theory research and in questionnaires to make sure that the items are unambiguous and not too threatening.

According to Struwig and Stead (2001:111) a convenience sample is chosen purely on the basis of availability. Respondents are selected because they are accessible and articulate. Convenience sampling is the least expensive and least time consuming of all sampling techniques. The sample elements are easily accessible, easy to measure, and cooperative. Pick' n Pay stores which are located in La Lucia, Sanlam, Pavilion, Workshop and Musgrave were selected through the method of judgmental sampling explained above. The reasons why these five shopping malls were selected are as follows:

- they are located in different areas of greater Durban;
- these five shopping malls are large shopping malls in the greater Durban area; and
- they generally accommodate all groups of consumers.

Therefore, the researcher believed the selected places are representative of the target population of Durban.

The places selected were the following:

**Table 3.1 Selected store location**

<b>Name of Pick' n Pay stores</b>	<b>Shopping mall address</b>
Pick' n Pay (Pavilion)	9 Spine Road, Westville
Pick' n Pay (La Lucia)	La Lucia Shopping Centre, corner of William Campbell Drive and Armstrong Avenue, La Lucia
Pick' n Pay (Musgrave Centre)	115 Musgrave Road, Berea
Pick' n Pay (Sanlam Centre)	Sanlam Shopping Centre, corner of King and Anderson Streets, Pinetown, 361
Pick' n Pay (Workshop)	The Workshop, corner of Aliwal and Commercial Roads, Durban

### **3.6 DATA COLLECTION**

Collecting data is frequently regarded as the one of the core activities in a research (Blaikie, 2000: 30). Primary data collection will be involved in this study because it helps researchers to learn what customers think about some topic—or how they behave under some condition (Hollway and Jefferson, 2000: 28). In particular, this research mostly focused on the survey approach, which was used to gather data from a relatively large number of respondents within a limited time frame.

Data was collected through the use of questionnaires, administrated to respondents.

According to Myers, (2005:51), a questionnaire is a pre-formulated, written set of questions to which respondents record their answers, usually with rather closely defined alternatives.

The questionnaire has the following advantages (Myers, 2005:51) :

- it helps the study to obtain data easily;
- information from a questionnaire is easily coded;
- it benefits the scientific community if the measures are well validated and are reliable; and
- often it is a catharsis for respondents.

Interviews were conducted at different times periods and different days during the third week in November 2005.

The interview plan was administrated as follows:

	<b>Pavilion</b>	<b>Workshop</b>	<b>Musgrave</b>	<b>La Lucia</b>	<b>Sanlam</b>
Saturday	10:00	10:00	10:00	10:00	10:00
Tuesday	13:00	13:00	13:00	13:00	13:00
Thursday	16:00	16:00	16:00	16:00	16:00

### **3.7 QUESTIONNAIRE DESIGN**

A questionnaire is a list of carefully structured questions, chosen after considerable testing, with a view to elicit reliable responses from a chosen sample. The aim is to find what a selected group of participants do, think and feel (Hussey, 2000: 161). Leedy (2001: 191) states that the questionnaire is the most common instrument for revealing data beyond the physical reach of the observer and offers the following practical guidelines for its use as a research tool:

**The language must be unmistakably clear.** Some questions are based on assumptions that may not be evident to the respondent if not made clear by the choice of relevant wording. For this reason, Ader (2002: 92) recommends that the researcher spends enough time and care in defining the purpose of

each item in the questionnaire and edits the questions in such a manner that each is meticulously and precisely phrased to elicit the answer the researcher is seeking.

**Questionnaires should be designed to fulfil a specific research objective.**

A questionnaire should be quality tested repeatedly for precision of expression, objectivity, relevance and suitability to the problem situation. Important considerations in questionnaire construction are courteousness, simplification and brevity, first impressions, and return postage.

The questionnaire design will be discussed under the following headings (Crask, 2000:58):

- Purpose: The purpose of the questionnaire was to analyse customer service in Pick' n Pay stores in the greater Durban area. The information obtained from the research was used in relation to what is proposed by the researcher in the literature study (chapter 2) to reach the final conclusion, deductions and recommendations (chapter 5);
- Type of questions: A structured questionnaire was used; and
- Sequence: The sequence of the questions that were drafted in the questionnaire relates to the study.

### **3.7.1 Questionnaire content**

The questionnaire (see Annexure A) consisted of three pages. The questions followed a cover section on the first page, explaining the purpose of the study and how the respondents were identified. This section further assured respondents of their anonymity and the fact that the questionnaire would not be too time consuming to complete.

The questionnaire included 12 questions regarding factual information and opinion. According to Bless and Higson-Smith (2001: 119), a question can

either be based upon factual information or opinion. Both types of questions were used in this research.

- Factual questions require objective information about respondents (for example age, gender, income level). Factual questions are straightforward and easy to answer; and
- Opinion questions are more complicated than factual questions. There are also many factors, which can distract the outcome of the answer, for example, the respondents can be influenced by what they consider to be socially desirable.

The questionnaire was developed utilizing an adaptation of the SERVQUAL instrument for assessing service quality in organizations (Naoum, 2001:96). In particular, the questionnaire consists of three sections (see Appendix A).

**Section 1:** this section was concerned with the general information and background of the respondents, the questions included the respondents' gender, age, racial group, and education level. These questions offered the researcher basic information about the respondents who were interviewed.

**Section 2:** this section included the respondents' attitude towards Pick' n Pay in terms of the frequency and the reason respondents went to the stores.

**Section 3:** this section included the respondents' opinion towards the customer service Pick' n Pay provided in terms of the products, service, and employees' ability.

After constructing the questionnaire, a covering letter was written to accompany the questionnaire. The letter explained the purpose of the questionnaire in order to encourage a high response.

The questionnaire covering the letter provided the following information:

- The reason for and topic of the research; and
- Request for the respondent's co-operation in completing and returning the questionnaire.

Nachmias (1996:142) said that a covering letter must succeed in overcoming any resistance or prejudice the respondent may have against the survey. It should:

- identify the sponsoring organization or the persons conducting the study;
- explain the purpose of the study;
- tell why it is important that the respondent answer the questionnaire; and
- assure the respondent that the information provided will be held in strict confidence.

### **3.7.2 Types of questions**

A questionnaire was constructed and was kept deliberately short to suit the face-to-face method and to improve the response rate. The questionnaire was finalized and edited by an editor to ensure that it was grammatically correct. Both factual questions and opinion questions were included in the questionnaire.

- **Factual questions**

Factual questions are mostly designed to elicit information related to the background of the respondents. Questions such as: "What is your gender?" "What is your age?" were included in the questionnaire. Multiple choice single response questions were included in this section. As McDaniel and Gates (2002:362) point out, multiple choice single response questions offer specific

alternatives from which the respondent must choose one. Factual questions included questions one to six in the questionnaire.

- **Opinion questions**

In terms of opinion questions, the following formats were included in developing the questionnaire: rating scale and ranking. These opinion questions were chosen to specifically test attitudes of respondents.

The rating scale is one of the most common formats for questioning respondents on their views or opinions of an object, event or attribute. Rating scales can be regarded as an elaboration of the checklist format, except the respondent has the choice to express their degree of agreement or disagreement on a particular scale (Naoum, 2001: 76).

The ranking format is used when the respondent is asked to place a set of attitudes or objects in ranking order indicating their importance, priorities or preferences. There are, however, particular limitations to the number of rankings most people can be expected to carry out. Under normal survey conditions, to put ten objects in rank order is probably as much as can be asked (Naoum, 2001: 82).

### **3.7.3 Pilot study**

To test the face validity of the survey instrument, a pilot study was conducted. The questionnaire was pilot tested before it could be finalized. A pilot study provides a trial run for the questionnaire, which involves testing the wording of the question, identifying ambiguous questions, testing the technique that was used to collect the data, and measuring the effectiveness of the standard invitation to respondents (Hussey, 2000: 87).

Pre-testing the questionnaire was used in order to ensure that respondents interpret the questions correctly and to enable the collection of the required information. The questionnaire was submitted to the department research



committee to check whether the questions would provide information that would answer the research questions. The wording of the questions was checked to determine, if there were leading questions and detect if there was order bias in the sequence of the questions. For the final stage in questionnaire construction, the questionnaire was tested with customers who had exact characteristics of the respondents in the study population and give some opinion about them. In this way, the questionnaire was pilot tested by customers, from their point of view.

The questionnaire was tested on 20 Pick' n Pay customers at the Pick' n Pay store in Musgrave Centre. The test was deliberately focused on the various ages and racial groups of customers in order to comprehensively include the target population.

Feedback from this pre-test indicated that some customers did not really understand question five. Some customers refused to answer question 12. These two questions were reconstructed after the pre-test. All questionnaires were completed in 10 minutes.

### **3.8 STATISTICAL ANALYSIS OF THE DATA**

Data was analysed using the latest version of the statistical programme SPSS (V12). The applicable descriptive and inferential analyses techniques were applied.

According to Leedy (2001: 243), there are five characteristics of statistical data. These are:

- The kind of data to be analysed: the data analysed is discreet data, which refers to facts regarding the population such as nationalities, race and gender. These factors are independent of each other;

- The scale of measurement: a ratio analysis will be used to determine the common factors in each question. A graphical representation will also be used to represent the relationship between factors;
- The number of groups from which the data arises: one group is being analysed in this study and, therefore, a one-group data will arise from a single group of subjects;
- Variables analysed: the study is focused on different theories and subjects and therefore it will generate a range of data; and
- Data becomes useful only after it is analysed. Data analysis involves converting a series of recorded observations (data) into descriptive statements and /or inferences about relationships (Blaikie, 2000: 236).

The data was analysed in order to make inferences from the data. A computerised statistical analysis of the data is necessary to describe and interpret the data that was obtained from the questionnaires. A conversion was made through a computer package in order to analyse the information. The stages in the statistical analysis were data preparation; tabulation of data, and then various tests were conducted to analyze relationships.

### **3.8.1 Data preparation**

Data preparation includes coding and editing (Mc Daniel and Gates, 2002:464). Editing is the process of ascertaining that questionnaires were filled out properly and completely, which involves checking for interviewer and respondents' mistakes. Coding refers to the process of grouping and assigning numeric codes to the various respondents to a particular question.

Questionnaires were discarded if they fell outside the sample parameters, and if it appeared that a respondent had not understood the question then a decision was made whether to leave out that question or the whole questionnaire. Answers were also checked for inconsistencies.

### **3.8.2 Data analysis and interpretation of the results**

Tabulation is merely a frequency count of each question's answers (Crask, 2000:229). Tabulating the data aids in finding how the data was distributed, what was typical in the data, how much the data varied, and whether there was any significant relationship between different sets of data. Moreover, the scale influences data, which can be nominal or ordinal.

A nominal scale is a figurative labeling scheme in which the numbers serve only as labels or tags for identifying and classifying objects with a strict one to one correspondence between the numbers and objects (McDaniel and Gates, 2002:291).

An ordinal scale is a ranking scale in which numbers are assigned to objects to indicate the relative extent to which some characteristic is possessed. Thus, it is possible to determine whether an object has more or less of a characteristic than some other object (McDaniel and Gates, 2002:292).

Frequencies and percentages are widely used in marketing research because the relative importance of figures is revealed more clearly by these simple tools than by the original data. Frequencies and percentages are used for all variables of the study (Crask, 2000:450).

Once this data was collected and recorded, it was carefully analyzed. The data was analyzed by examining the frequency with which certain responses occurred. The results are tabulated by means of pie charts or bar charts to make the frequencies easier to read. The results are represented in the form of bar charts, pie charts and tables to make the information easier to read. Data processing has been done – this included editing questionnaires and checking that all the questionnaires contained no missing data. This data was then entered into a statistical programme and the information was verified to ensure that the entering has been done correctly.

The underlying purpose of the statistical analysis is to show that certain features have a significant influence on customers to use the internet banking service.

The statistical analysis process was covered under the following headings:

### **3.8.2.1 Descriptive statistics**

Descriptive statistics refer to the collection of methods for classifying and summarising numerical data. The objective of descriptive statistics “is to provide summary measures of the data contained in all the elements of a sample” (Crask, 2001:450). Therefore, an analysis of the data incorporates frequencies, measures of central tendency and measures of dispersion. It also involves the explanation and summarization of the data acquired for a group of individual unit analyses (Welman & Kruger, 1999:68). In this study, descriptive statistics was done for each of the following sub-dimensions:

- setting goals and understanding of them;
- extent of participation;
- communication;
- idea generation / creativity;
- conflict;
- interpersonal relations; and
- obstacles.

#### **● Frequencies & Percentages**

According to Sekaran (2000:396) “frequencies refer to the number of times various sub-categories of a certain phenomenon occur, from which the percentage and cumulative of their occurrence can easily be calculated”.

Frequencies are used in the current study to obtain a profile of the sample.

Percentages serve two purposes in data presentation. They simplify data by reducing all numbers to a range from 0 to 100. Secondly, they translate the

data into standard form, with a base for relative comparisons (McDaniel and Gates, 2002:292).

- **Measures of Central Tendency and Dispersion**

Central tendency is the common measure of location. The arithmetic mean (known as the mean) is what is commonly known as the average (Welman & Kruger, 1999:74). It is the sum of the observed values in the distribution divided by the number of observations. It is the location measure most frequently used for interval ratio data but can be misleading when the distribution contains extreme values, large or small (McDaniel and Gates, 2002:292).

The standard deviation (SD) is also a measure of dispersion. It is a statistical measure that expresses the average deviation about the mean in the original units of the random variable. This is unlike the squared units of measure used in the variance (Blaikie, 2000: 306). According to Sekaran (2000: 311), the measures of central tendency and dispersion enable one to describe and compare distributions more concisely and objectively. The data was analysed using the following measures of central tendency and dispersion (Sekaran, 2000:117):

- **Mean:** The mean is the average value of the variable, computed across all cases.
- **Median:** The median refers to the score which has one half of the scores on either side of it when the scores have been arranged in ascending and descending order.
- **Mode:** The mode can be described by the most frequently occurring phenomenon.
- **Variance:** The variance can be referred to as the sum of the squared deviations from the mean.
- **Standard deviation:** The standard deviation is a commonly used measure of dispersion, and is simply the square root of the variance.

### **3.8.2.2 Inferential statistics**

Inferential statistics are used for two population characteristics (parameters) from sample characteristics (statistics); and to establish whether differences or relationships within a sample (such as an association between occupation and religion) can be expected to exist, other than by chance, in the population from which the sample was drawn (Blaikie, 2000: 374).

- **Correlation**

Correlation analysis examines the strength of the identified association between variables (Sekaran, 2000: 421). Pearson's correlation matrix indicates the direction, strength and significance of the bivariate relationship among the variables in the study (Blaikie, 2000: 391). In this study, inter-correlations are done for each of the variables that make up the team cohesiveness scores dimension (namely, setting goals and understanding of them, extent of participation, communication, idea generation creativity, conflict management, interpersonal relations, obstacles) in contrast to team effectiveness.

- **T-Test**

The t-Test is used to see if there are any significant differences in the means for two groups in the variable of interest (Sekaran, 2000). In this study, the t-test was used to determine whether there is significant difference between gender and each of the seven dimensions (setting goals and understanding of them, extent of participation, communication, idea generation creativity, conflict management, interpersonal relations, obstacles).

- **Analysis of Variance (ANOVA)**

The technique of analysis of variance (ANOVA) is used to test hypotheses that the means of the two or more groups are equal (Blaikie 2000: 422). "ANOVA is a statistical procedure that assesses the likelihood that the means

of groups are equal to a common population mean by comparing an estimate of the population variance determined between groups with an estimate of the same population variance determined within groups” (McDaniel and Gates, 2002:315). In this study, ANOVA was used to determine whether employees varying in each of the biographical variables (age, gender, marital status, home language, race, education, length of service, position) differ in their perceptions of setting goals and understanding of them, extent of participation, communication, idea generation creativity, conflict management, interpersonal relations and obstacles respectively when working together as a team.

- **Chi-square test**

Chi-square distribution is the most commonly used method of comparing proportions and to establish whether the relationships mentioned above are dependent or independent of each other (McDaniel and Gates, 2002:516).

### **3.8.3 Statistical Analysis of Questionnaire**

Statistical analysis of the questionnaire was undertaken to establish the reliability and validity of the questionnaire.

#### **3.8.3.1 Validity: Factor Analysis**

In this study, factor analysis was used to determine the validity of the questionnaire. Factor analysis is a “general description for several specific computational techniques. All have the objective of reducing many variables to a more manageable number that belongs together and have overlapping measurement characteristics” (Cooper and Emroy, 1995: 538). According to Sekaran (2000:214), the results of the factor analysis will confirm whether or not the theorised dimensions emerge. It would reveal whether the theorised dimensions are indeed tapped by the items in the measure.

#### **3.8.3.2 Reliability: Cronbach’s Coefficient one space Alpha**

It is vital to ensure that the measuring instrument measures with reliability what it is supposed to measure. It is concerned with estimates of the degree to which a measurement is free of random or unstable error. An aspect of reliability is interval

consistency, the degree to which instrument items are homogeneous and reflect the same underlying constructs. Cronbach's coefficient alpha has the most utility for multi-item scales at the interval level of measurement i.e. items which may be assigned, more than two values, as in rating scales (Cooper & Emory, 1995:159). In this study reliability was determined using Cronbach's Co-efficient Alpha. According to Sekaran (2000:241), Cronbach's Co-efficient Alpha measure is derived from the correlation's of one item with each other item. This measure ranges from 0 to 1, with 0 meaning complete unreliability and 1 meaning perfect reliability.

### **3.9 ETHICS**

In preparing for research activities, researchers need to adhere to ethical procedures in all aspects of design and conduct of the research. Ethics are important in the choice of topic, the samples selected, the interventions designed, and the data collection procedures. After data are collected, ethics are of great importance in the analysis and reporting of data (Cooper & Schindler, 2001: 7). The goal of ethics in this research is to ensure that no one is harmed or suffers adverse consequences from research activities.

### **3.10 CONCLUSION**

In this chapter, the research methodology used in the study has been discussed. This chapter indicated the basic steps and procedures that were used. This chapter established a foundation for the study of the next chapter. This discussion of the methodology will allow an easier understanding of the analysis of the data collected in the following chapter.

Chapter four is dedicated to data analysis and the presentation of the empirical research results.



## **CHAPTER FOUR**

### **PRESENTATION OF RESULTS – QUESTIONNAIRE ANALYSIS**

#### **4.1 INTRODUCTION**

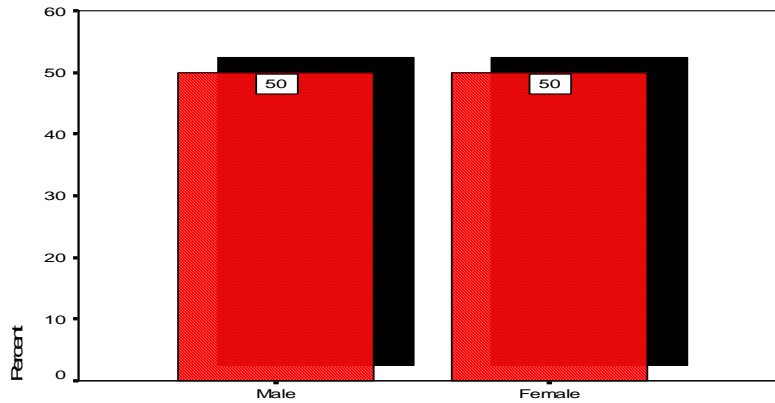
In the previous chapter, the research methodology and techniques that were selected to design a questionnaire for this investigation were discussed and justified. It is opportune to present a detailed analysis of the findings emanating from 400 questionnaires that were administered at Pick' n Pay in the greater Durban area.

In this chapter, the statistical results of research surveys have been presented and interpreted. All of these results are quantitative research results. The collected questionnaires have been coded and decoded numerically according to the designed statistical template sheet. The statistical computer programme, Statistical Package for Social Sciences V12 (SPSS V12), has been used for this project's statistical analysis. Results are presented as descriptive statistics and inferential statistics.

#### **4.2 DEMOGRAPHIC DATA OF RESPONDENTS**

As illustrated in Chapter 2, demographic information includes characteristics like age, income, gender, racial group, and education. Demographic information is straight forward and basic method of identifying customers. The details of demographic information are explained as follows:

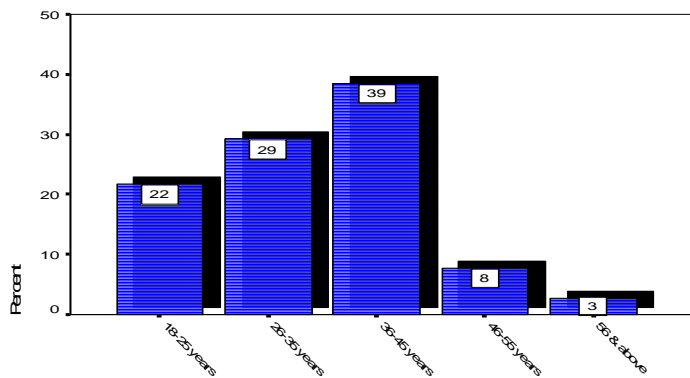
### 4.2.1 Gender



**Figure 4-1: Gender groups**

Figure 4-1 reveals the gender dispersion of the respondents in this project. The respondents in this project comprise 50.0 % males and 50.0% females.

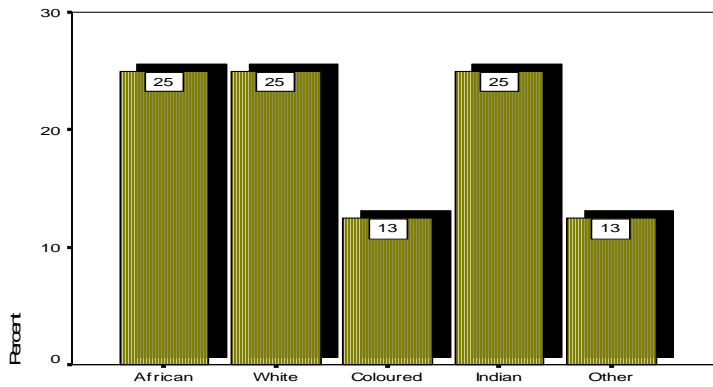
### 4.2.2 Age group



**Figure 4-2: Age groups**

Figure 4-2 reveals the age dispersion of the respondents in this project: 21.8 % are between 18-25 years, 29.3 % are between 26-35 % years, 38.5 % are between 36-45 years & above, 7.8 % are between 46-55 years, and 2.8 % are above 56 years. The demographic age profile of the study participants shows that the 36-to-45 group is the dominant group. The data suggests that age has an impact on shopping at Pay' n Pay. Additionally, the results imply that the main customers are young and middle aged.

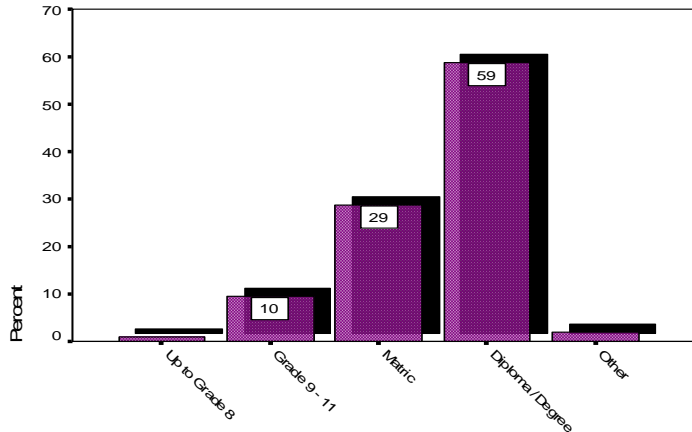
### 4.2.3 Racial group



**Figure 4-3: Racial groups**

Figure 4-3 shows the racial dispersion of the respondents in this project: 25% are African, 25% are White, 12.5% are Coloured, 25% are Indian, and 12.5% are other. The demographic racial profile of the study participants shows that the African, White and Indian groups are equally dominant.

### 4.2.4 Educational level



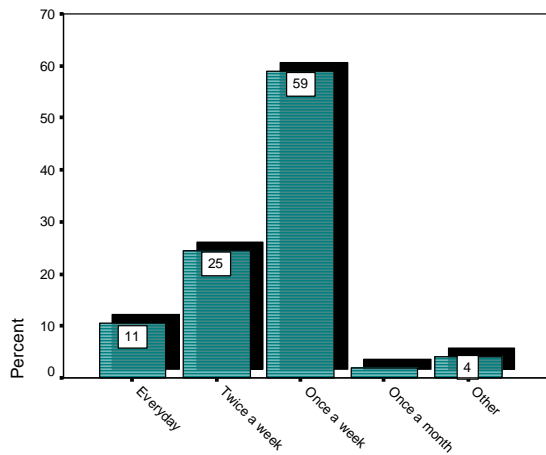
**Figure 4-4: Educational level**

Figure 4-4 reveals the educational level dispersion of the respondents in this project: Grade 8-1%, Grade 9-11 9.5%, Matric-28.8%, Diploma or Degree-58.8%, and other 2%. The high education levels (60.8%) are particularly significant as earlier research indicates that people with high levels of education is the dominant group that shops at Pay' n Pay. This finding is consistent with the literature review.

### 4.3 ATTITUDES AND PERCEPTIONS TOWARDS SHOPPING AT PICK' N PAY

The following section details responses to questions about the respondents' attitudes towards and perceptions of shopping at Pick' n Pay.

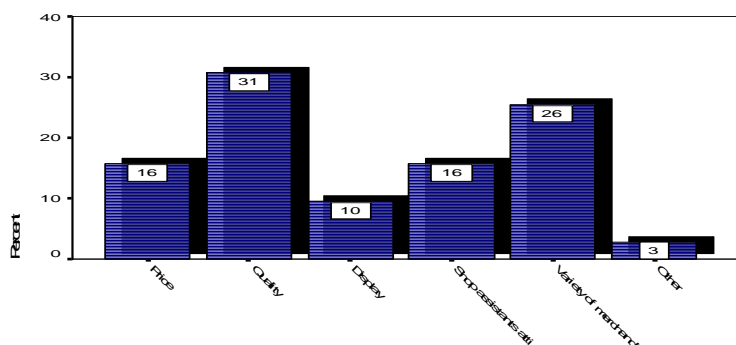
#### 4.3.1 Frequency of shopping at Pick' n Pay



**Figure 4-5: Frequency of shopping at Pick' n Pay**

The intention of statement 4.3.2 is to assess the frequency of shopping at Pick' n Pay by customers. Figure 4-5 reveals the frequency dispersion of shopping at Pick' n Pay: 10.5% are shopping at Pick' n Pay everyday, 24.5% are shopping at Pick' n Pay twice a week, 59% are shopping at Pick' n Pay once a week, 2% are shopping at Pick' n Pay once a month, and 4% are shopping at Pick' n Pay less than once a month. These percentages show that the majority of respondents are shopping at Pick' n Pay once a week.

#### 4.3.2 Why people choose to shop at Pick n' Pay



**Figure 4-6: Why people choose to shop at Pick n' Pay**

All customers have five basic needs which are service, price, quality, action and appreciation (see section 2.2.2). Satisfying these needs of customers is the primary goal for service firms.

The above data indicates that 15.8% of the respondents favour the price at Pick' n Pay, 30.8% of respondents favour the quality at Pick' n Pay, 9.5% of respondents favour the display at Pick' n Pay, 15.8% of respondents favour shop assistants and attitudes at Pick' n Pay, and 25.5% of respondents like the variety of merchandise available at Pick' n Pay, and 2.8% of respondents chose other reasons. The result is particularly significant as earlier research indicates that quality is the most preferred reason for shopping at Pick' n Pay in section 2.2.2.

This finding is consistent with the literature review which indicates that South African consumers are less likely today to think of their purchases as throw-away items. Customers want the products that they purchase to be durable and functional until the customer decides to replace them.

#### **4.3.3 Accuracy of the checkout**

	Percent
Very poor	4.8
Poor	15.5
Neutral	25.5
Good	48.5
Very good	5.8
Total	100.0

**Table 4-1: Accuracy of the checkout**

The objective of statement 4.3.3 is to measure customers' perceptions about the accuracy of the service received. Table 4-1 reveals perceptions of the respondents to statement 7.1: 4.8% (very poor), 15.5% (poor), 25.5% (neutral), 48.5% (good) and 5.8% (very good). More than half of the respondents

(54.3%) believe that the accuracy of the checkout is better than expected. The literature review in section 2.4 indicates that the accuracy of the checkout is one of the items which can influence customer satisfaction. The percentages indicate that almost half of respondents are not satisfied with the accuracy of the checkout at Pick' n Pay.

#### 4.3.4 Friendliness of the employees

	Percent
Very poor	3.0
Poor	10.8
Neutral	35.3
Good	37.3
Very good	13.8
Total	100.0

**Table 4-2: Friendliness of the employees**

The above data reveals the perceptions of respondents in this project in terms of the friendliness of the employees. The responses to the statement Q7.2 are the follow: 3 % (very poor), 10.8 % (poor), 35.3% (neutral), 37.3 % (good), and 13.8 % (very good). More than half of the respondents (51.1%) believe that friendliness of the employees is better than expected. The result shows that the employees of Pick' n Pay are friendly to the customers. This result is a positive sign and confirms the importance of employees in portraying a positive attitude towards service quality.

#### 4.3.5 Attentiveness of the employees

	Percent
Very poor	3.8
Poor	3.8
Neutral	50.8
Good	39.8
Very good	2.0
Total	100.0

**Table 4-3: Attentiveness of the employees**

Table 4-3 reveals the perceptions of respondents in this project in terms of the attentiveness of the employees. The responses to statement Q7.3 are as follows: 3.8 % (very poor), 3.8 % (poor), 50.8% (neutral), 39.8 % (good), and 2.0 % (very good). Less than half of the respondents (41.8%) believe that attentiveness of the employees is better than expected. The literature review indicates that attentiveness of the employees is one of the items which can influence customer satisfaction. These percentages indicate that more than half of the respondents are not satisfied with attentiveness of the employees at Pay 'n Pay.

#### 4.3.6 Additional service

	Percent
Very poor	3.8
Poor	5.5
Neutral	46.3
Good	34.3
Very good	10.3
Total	100.0

**Table 4-4: Additional service**

Table 4-4 reveals the perceptions of respondents in this project on additional service. The responses are as follows: 3.8 % (very poor), 5.5 % (poor), 46.3 % (neutral), 34.3 % (good), and 10.3% (very good). The result indicates that customers are satisfied with the additional service at Pick' n Pay stores.

#### 4.3.7 Stock or availability of products

	Percent
Very poor	3.0
Poor	7.0
Neutral	28.5
Good	52.5
Very good	9.0
Total	100.0

**Table 4-5: Stock or availability of products**

Table 4-5 reveals the perceptions of respondents in this project on the stock or availability of products. The responses are as follows: 3.0 % (very poor), 7.0 % (poor), 28.5 % (neutral), 52.5 % (good), and 9.0 % (very good). Most of the respondents (61.5%) believe that the level of stock or availability of products is acceptable. Stock or availability of products is a key customer service which is discussed in section 2.4.2. Pick' n Pay can exploit this perception through improving the level of stock or availability of products in an attempt to covert the 38.5% of the customers who are dissatisfied. This finding is an indication that stock or availability of products plays an important part in the customer shopping process.

#### 4.3.8 Variety and selection of products

	Percent
Very poor	1.0
Poor	1.8
Neutral	26.8
Good	53.0
Very good	17.5
Total	100.0

**Table 4-6: Variety and selection of products**

Table 4-6 reveals the perceptions of respondents in this project towards variety and selection of products. The responses are as follows: 1.0 % (very poor), 1.8 % (poor), 26.8 % (neutral), 53.0 % (good), and 17.5 % (very good). Totally, most of the respondents (70.5%) believe that the level of variety and selection of products is acceptable. Variety and selection of products is a key customer service which is discussed in section 2.4.2. Pick' n Pay can exploit this perception through increasing the number of different brand names of products in an attempt to covert 29.5% of the customers who are dissatisfied. This finding is an indication that variety and selection of products plays an important part in the customer shopping process.



#### 4.3.9 The product knowledge of shop assistants

	Percent
Very poor	3.0
Poor	13.5
Neutral	36.5
Good	40.8
Very good	6.3
Total	100.0

**Table 4-7: The product knowledge of shop assistants**

Product knowledge is necessary to create an environment that encourages excellent customer service, and the skills to successfully compete in the industry (see section 2.4.12). The aim of statement is to analyse the respondents' perceptions about staff being trained and knowledgeable. The above table reveals the perceptions of respondents in this project towards the product knowledge of shop assistants. The responses are as follows: 3.0 % (very poor), 13.5 % (poor), 36.5 % (neutral), 40.8 % (good), and 6.3 % (very good). Totally, almost half of the respondents (47.1%) believe that the level of product knowledge of shop assistants is acceptable. Earlier research indicates that the product knowledge of shop assistants also influences customer satisfaction. The level of interactivity of the site will certainly have an effect on the customer's perception. Hence, the result concurs with the literature review and suggests that product knowledge will be an important factor in influencing shopping at Pick' n Pay.

#### 4.3.10 The helpfulness of shop assistants

	Percent
Very poor	1.0
Poor	1.8
Neutral	26.8
Good	53.0
Very good	17.5
Total	100.0

**Table 4-8: The helpfulness of shop assistants**

The data reveals perceptions of respondents in this project towards the helpfulness of shop assistants. The responses are as follows: 1.0 % (very poor), 1.8 % (poor), 26.8 % (neutral), 53.0 % (good), and 17.5 % (very good). Totally, most of the respondents (70.5%) believe that the level of helpfulness of shop assistants is acceptable. This finding indicates that the staff places great emphasis on ensuring that the customers' problems are solved promptly and every effort is taken to ensure that their requests can be met.

#### **4.3.11 Ability to find what customer need quickly**

	Percent
Very poor	1.3
Poor	3.0
Neutral	42.5
Good	44.8
Very good	8.5
Total	100.0

**Table 4-9: Ability to find what you need quickly**

The table 4-9 reveals perceptions of respondents in this project towards the ability to find what customers need quickly. The responses are as follows: 1.3 % (very poor), 3.0 % (poor), 42.5 % (neutral), 44.8 % (good), and 8.5 % (very good). Totally, more than half of the respondents (53.3%) believe that the level of ability to find what customers need quickly is acceptable. Similar percentages reflect responses of 'good' and 'neutral'; it can be assumed that additional work needs to take place to ensure that the employees have the ability to understand customer needs. Employees need to place themselves in the customers' position when dealing with them. In this manner, it will be easy to locate the customers' problems and solve them.

#### 4.3.12 Neatness and orderliness of displays

	Percent
Very poor	0.8
Poor	3.0
Neutral	31.8
Good	47.3
Very good	17.3
Total	100.0

**Table 4-10: Neatness and orderliness of displays**

The table 4-10 reveals the perceptions of respondents in this project towards the neatness and orderliness of displays. The responses are as follows: 8.0 % (very poor), 3.0 % (poor), 31.8 % (neutral), 47.3 % (good), and 17.3 % (very good). Totally, more than half of the respondents (54.6%) believe that the level of neatness and orderliness of displays is acceptable. As noted in the literature study, the neatness and orderliness of displays are important factors to the customer in his/her assessment of the service provided. These percentages indicate that Pick' n Pay still needs to do more to improve customer satisfaction with neat and orderly displays.

#### 4.3.13 Positive feeling or sense of fun the customer gets when walking through the store

	Percent
Very poor	2.5
Poor	3.8
Neutral	30.3
Good	54.8
Very good	8.8
Total	100.0

**Table 4-11: Positive feeling when walking through the store**

The table 4-11 reveals the perceptions of respondents relating to their degree of positive feeling and sense of fun. The responses are as follows: 2.5 % (very poor), 3.8 % (poor), 30.3 % (neutral), 54.8 % (good), and 8.8 % (very good). Totally, most of the respondents (63.6%) believe that the level of positive feeling or sense of fun the customer gets when walking through the

store is acceptable. These percentages indicate that Pay 'n Pay is doing well to satisfy customers with providing positive feeling or sense of fun that customers get when walking through the store.

#### 4.3.14 Safety and security at Pick 'n Pay

	Percent
Very dissatisfied	1.5
Dissatisfied	7.0
Neutral	31.3
Satisfied	59.3
Very satisfied	1.0
Total	100.0

**Table 4-12: Safety and security at Pick 'n Pay**

Table 4-12 reveals the perceptions of respondents in this project towards safety and security at Pick' n Pay. The responses are as follow: 1.5 % (very dissatisfied), 7.0 % (dissatisfied), 31.3 % (neutral), 59.3 % (satisfied), and 1.0% (very satisfied). Totally, the majority of the respondents (60.3%) believe that the level of safety and security at Pick' n Pay is acceptable. This satisfactory response is pleasing for Pick' n Pay as customer safety in the South African crime-hidden environment is an important factor impacting on customers' choice. A positive feeling towards 'being safe' when shopping at the store will ensure that customers return.

#### 4.3.15 Prices paid for quality received

	Percent
Very dissatisfied	5.5
Dissatisfied	26.0
Neutral	42.0
Satisfied	25.5
Very satisfied	1.0
Total	100.0

**Table 4-13: Prices paid for quality received**

Table 4-13 reveals perceptions of respondents towards the prices paid for quality received. The responses are as follows: 5.5 % (very dissatisfied), 26.0

% (dissatisfied), 42.0 % (neutral), 25.5 % (satisfied), and 1.0 % (very satisfied). Less than half of the respondents (35.5%) believe that the level of prices paid for quality received is acceptable. The similar percentages of dissatisfaction and satisfaction and the relatively high neutral response indicate that there exists room for improvement towards prices and quality. As noted in chapter 2, customers, who are extremely satisfied with their service experience with a given firm, will most likely continue to return to that firm at the same frequency or even more frequently. Once again, the customer's experience with the service firm is also likely to be multiplied through interactions with other prospective customers through word of mouth.

#### **4.3.16 The overall satisfaction with Pick' n Pay**

	Percent
Very dissatisfied	5.5
Dissatisfied	13.8
Neutral	20.3
Satisfied	53.5
Very satisfied	7.0
Total	100.0

**Table 4-14: Satisfaction with Pick' n Pay**

Firms which consistently rank high on customer satisfaction also rank high in profitability; these companies have more loyal customers. The happier their customers are with a product or service, the more likely they are to buy it again, and the less likely they are to switch to competitors and other products (see section 2.5). Table 4-14 reveals perceptions of respondents on the overall satisfaction with Pick 'n Pay. The responses are as follows: 5.5 % (very dissatisfied), 13.8 % (dissatisfied), 20.3 % (neutral), 53.5 % (satisfied), and 7.0 % (very satisfied). Most of the respondents (60.5%) believe that the level of overall satisfaction with Pick 'n Pay' customer service is acceptable. Customer service is an integral part of doing business today. Customer service providers must have adequate preparation to interact effectively with today's customers. This result is in line with the literature review in section 2.5.

#### 4.3.17 Convenience of the location

	Percent
Worse than expected	21.0
As expected	63.5
Better than Expected	15.5
Total	100.0

**Table 4-15: Convenience of the location**

The convenience of the location is also a very important factor for customers to choose the store. Table 4-15 reveals that 21.0 % of the respondents indicated that the convenience of location is worse than expected, 63.5 % of the respondents indicated that the convenience of location is as expected, and 15.5 % of respondents indicated that the convenience of location is better than expected. The majority of the respondents (79.0%) believe that the level of convenience of location in Pay 'n Pay is acceptable.

#### 4.3.18 Hours of operation

	Percent
Worse than expected	33.5
As expected	56.3
Better than Expected	10.3
Total	100.0

**Table 4-16: Hours of operation**

The intention of statement 4.3.18 is to assess if Pick' n Pay offers convenient business hours. Table 4-16 reveals that 33.5 % of respondents indicated that the hours of operation are worse than expected, 56.3 % of respondents indicated that the hours of operation are as expected, and 10.3 % of respondents indicated that the hours of operation are better than expected. Most of the respondents (66.6%) believe that the hours of operation are acceptable. The result reflects that the majority of customers' expectations of convenient hours can be met. However, the percentage of dissatisfaction of convenient hours is still high. Pick' n Pay needs to work harder at providing more convenient business hours.

#### 4.3.19 Availability of rest-rooms

	Percent
Worse than expected	52.7
As expected	37.3
Better than Expected	10.0
Total	100.0

**Table 4-17: Availability of rest-rooms**

Table 4-17 reveals that 52.8 % of the respondents indicated that the availability of rest-rooms is worse than expected, 37.3 % of respondents indicated that the availability of rest-rooms is as expected, and 10.0 % of the respondents indicated that the availability of rest-rooms is better than expected. Almost half of the respondents (47.3%) believe that the availability of rest-rooms is acceptable. The result reflects that only half of customers' expectation of rest-rooms can be met. However, the percentage of dissatisfaction of rest-rooms is the most during the all options.

#### 4.3.20 Availability of parking

	Percent
Worse than expected	53.5
As expected	23.3
Better than Expected	23.3
Total	100.0

**Table 4-18: Availability of parking**

Providing easily accessible and adequate parking is important for the store as it could encourage customers to return, which, in turn, leads to customers' loyalty. Table 4-18 reveals that 53.5 % of the respondents indicated that the availability of parking is worse than expected, 23.3 % of the respondents indicated that the availability of parking is as expected, and 23.3 % of the respondents indicated that the availability of parking is better than expected. Almost half of the respondents (46.6%) believe that the availability of parking is acceptable. Since more than half of the customers agree that the availability of parking is worse than their expectations, it can be assumed that this is an area where Pick' n Pay needs to focus to improve its service.

**4.3.21 Forget Pick 'n Pay for a moment. Imagine an ideal chain store. How well do you think Pick 'n Pay compares to that ideal store?**

	Percent
Not very close to the ideal	7.8
Somewhat close to the ideal	11.8
Neutral	15.0
Close to the ideal	38.8
Very close to the ideal	26.8
Total	100.0

**Table 4-19: Comparison of Pick' n Pay and ideal store**

Table 4-19 reveals the perceptions of respondents towards the comparison of Pick' n Pay and the ideal store in this project. The responses are as follows: 7.8 % (not very close to the ideal), 11.8 % (somewhat close to the ideal), 15.0 % (neutral), 38.8% (close to ideal), and 26.8 % (very close to the ideal). Most of the respondents (65.6%) believe that Pick' n Pay resembles an ideal store.

**4.3.22 What is the likelihood that you will visit Pick 'n Pay again in the near future?**

	Percent
Definitely will not visit again	4.8
Somewhat will visit again	26.8
Neutral	49.5
Will visit again	14.8
Definitely will visit again	4.3
Total	100

**Table 4-20: The likelihood of visiting Pick 'n Pay again**

The above data reveals perceptions of respondents towards the likelihood that they will visit Pick' n Pay again in the near future. The responses are as follows: 4.8 % (definitely will not visit again), 26.8 % (somewhat will visit again), 49.5 % (neutral), 14.8 % (will visit again), 4.3% (definitely will visit again). Less than half of the respondents (19.1%) believe that they will visit Pick' n Pay again in the near future. The “neutral” percentage (which accounts for the majority of the respondents) could mean that the respondents



either will visit or won't visit Pick 'n Pay in the near future and this could be uncovered by structured interviews on these customers in the future.

#### 4.3.23 Will you recommend Pick 'n Pay to others?

	Percent
Very Unlikely	2.8
Unlikely	16.3
Neutral	36.3
Likely	35.8
Very Likely	9.0
Total	100.0

**Table 4-21: The likelihood of recommending Pick' n Pay to others**

Table 4-21 reveals the perceptions of respondents on the likelihood they will recommend Pick' n Pay to others. The responses are as follows: 2.8 % (very unlikely), 16.3 % (unlikely), 35.8 % (neutral), 36.3 % (likely), and 9 % (very likely). Less than half of the respondents (44.8%) believe that they will recommend Pick' n Pay to others. Chapter 2 indicates that only a satisfied customer will spread a recommendation by word of mouth. Therefore, the store striving to build an excellent reputation must offer superior service to satisfy customers.

## 4.4 CENTRAL TENDENCY STATISTICS

### 4.4.1 Question 7.1 – 7.6

**Table 4-22: Central Tendency Statistics Q7.1 – Q7.6**

	Q7. 1	Q7. 2	Q7. 3	Q7. 4	Q7. 5	Q7. 6
N Valid	400	400	400	400	400	400
Missing	0	0	0	0	0	0
Mean	3.00	4.00	3.00	3.00	4.00	4.00
Median	4.00	4.00	3.00	3.00	4.00	4.00
Mode	4	4	3	3	4	4
Std. Deviation	.969	.960	.749	.886	.864	.761
Variance	.940	.922	.561	.785	.746	.579
Range	4	4	4	4	4	4
Minimum	1	1	1	1	1	1
Maximum	5	5	5	5	5	5

The following coded values are applicable for this project. These are

1 = Very Poor

2 = Poor

3 = Neutral

4 = Good

5 = Very Good

The central tendency statistical results for Q7.1 to Q7.6 reveal the following:

#### **Mean:**

The mean results are as follows:

- Q7.1, Q7.3, Q7.4 have a mean value of 3.00. This finding reveals that the respondents in this project have been **Neutral** toward accuracy attentiveness and additional service; and

- Q7.2, Q7.5, Q7.6 have a mean value of 4.00. This finding reveals that the respondents have articulated an average perception that is **Good**.

#### **Median**

- Q7.3, Q7.4 have a median value of 3.00, which indicates a **Neutral** perception of the respondents; and
- Q7.1, Q7.2, Q7.5, and Q7.6 have a median value of 4.00, which indicates a **Good** perception of the respondents.

#### **Mode**

- Q7.3, Q7.4 have a median value of 3.00, which indicates a **Neutral** perception of the respondents; and
- Q7.1, Q7.2, Q7.5, and Q7.6 have a median value of 4.00, which indicates a **Good** perception of the respondents.

#### **The Standard Deviation**

Q7.1 to Q7.6 have a standard deviation between 0.74 to 0.97, which reveals that these variables have a **variation** in the respondent's perceptions.

#### **Variance**

Q7.1 to Q7.6 have a variance between 0.57 to 0.94, which reveals that all these variables have varying **differences** in respondents' perceptions.

#### **Range**

Q7.1 to Q7.6 have range value of 4, which indicates that these variables have differences in the respondents' perceptions. The difference between the minimum and maximum is 4 and respondents have expressed all types of opinions towards study questions.

#### **Minimum**

Q7.1 to Q7.6 have a minimum value of 1 which is very poor and it indicates that respondents have articulated the minimum or least perception.

#### **Maximum**

Q7.1 to Q7.6 have a maximum value of 5 which is very good and indicates that respondents have articulated the maximum or highest perception.

#### 4.4.2 Question 7.7 – 7.11

**Table 4-23: Central Tendency stats Q7.7 – Q7.11**

	Q7. 7	Q7. 8	Q7. 9	Q7. 10	Q7. 11
N Valid	400	400	400	400	400
Missing	0	0	0	0	0
Mean	3.00	4.00	4.00	4.00	4.00
Median	4.00	4.00	4.00	4.00	4.00
Mode	4	4	4	4	4
Std. Deviation	.895	.761	.743	.792	.796
Variance	.801	.579	.552	.627	.633
Range	4	4	4	4	4
Minimum	1	1	1	1	1
Maximum	5	5	5	5	5

The following coded values are applicable for this project. These are

1 = Very Poor

2 = Poor

3 = Neutral

4 = Good

5 = Very Good

The above central tendency statistical results for Q7.7 to Q7.11 reveal the following:

**Mean:**

The mean results are as follows:

- Q7.7 has a mean value of 3.00 which is neutral and reveals that the respondents have articulated an average perception; and
- Q7.8, Q7.9, Q7.10, Q7.11 have a mean value of 4.00 which is good and reveals that the respondents have articulated an average perception.

### **Median**

- Q7.7 has a median value of 3.00, which indicates a **Neutral** perception of respondents; and
- Q7.8, Q7.9, Q7.10, Q7.11 have a median value of 4.00, which indicates a **Good** perception of respondents.

### **Mode**

Q7.7, Q7.8, Q7.9, Q7.10, Q7.11 have a mode value of 4.00, which indicates a **Good** perception of respondents.

### **The Standard Deviation**

Q7.7 to Q7.11 have a standard deviation between 0.743 to 0.895 and reveal that these variables have **variation** in the respondent's perception.

### **Variance**

Q7.7 to Q7.11 have a variance between 0.552 to 0.80 which reveals that all these variables have **differences** in the respondents' perception.

### **Range**

Q7.7 to Q7.11 have a range value of 4 which indicates that these variables have differences in respondents' perceptions. The difference between the minimum and maximum is 4 and respondents have expressed all types of opinions towards the study questions.

### **Minimum**

Q7.7 to Q7.11 have a minimum value 1 which is very poor and indicates that respondents have articulated a minimum or least perception.

### **Maximum**

Q7.7 to Q7.11 have a maximum value of 5 which is very good and indicates that respondents have articulated the maximum or highest perception which is **Very Good**.

#### 4.4.3 Question 8.1 – 8.3

**Table 4-24: Central Tendency Statistics Q8.1 – Q8.3**

	Q8. 1	Q8. 2	Q8. 3
N Valid	400	400	400
Missing	0	0	0
Mean	2.00	3.00	4.00
Median	2.00	3.00	4.00
Mode	2	2	4
Std. Deviation	.707	.934	.996
Variance	.500	.872	.992
Range	4	4	4
Minimum	1	1	1
Maximum	5	5	5

The following coded values are applicable for this project. These are

1 = Very Poor

2 = Poor

3 = Neutral

4 = Good

5 = Very Good

The above central tendency statistical results for Q8.1 to Q8.3 reveal the following:

**Mean:**

The mean results are as follows:

- Q8.1 has a mean value of 2.00 which is poor and reveals that the respondents have articulated an average perception.
- Q8.2 has a mean value of 3.00 which is very neutral and reveals that the respondents have articulated an average perception; and
- Q8.3 has a mean value of 4.00 which is very good and reveals that the respondents have articulated an average perception.

### **Median**

- Q8.1 has a median value of 2.00, which indicates a **Poor** perception of respondents;
- Q8.2 has a median value of 3.00, which indicates a **Neutral** perception of respondents; and
- Q8.3 has a median value of 4.00, which indicates a **Good** perception of respondents.

### **Mode**

- Q8.1, Q8.2 have a mode value of 2.00, which indicates a **Poor** perception of respondents; and
- Q8.3 has a mode value of 4.00, which indicates a **Good** perception of respondents.

### **The Standard Deviation**

Q8.1 to Q8.3 have a standard deviation between 0.707 to 0.996 which reveals that these variables have a **variation** in the respondents' perceptions.

### **Variance**

Q8.1 to Q8.3 have a variance between 0.500 to 0.992 which reveals that all these variables have a **difference** in the respondent's perceptions.

### **Range**

Q8.1 to Q8.3 have a range value of 4 which indicates that these variables have a difference in the respondents' perceptions. The difference between the minimum and maximum is 4 and respondents have expressed all types of opinions towards the study questions.

### **Minimum**

Q8.1 to Q8.3 have a minimum value of 1 which indicates that respondents have articulated a minimum or least perception of **Very Poor**.

### **Maximum**

Q8.1 to Q8.3 have a maximum value of 5 which indicates that respondents have articulated a maximum or highest perception of **Very Good**.

#### 4.4.4 Question 10 – 12

**Table 4-25: Central Tendency Statistics Q10 – Q12**

	Q10	Q11	Q12
N Valid	400	400	400
Missing	0	0	0
Mean	4.00	3.00	3.00
Median	4.00	3.00	3.00
Mode	4	3	4
Std. Deviation	1.211	.872	.944
Variance	1.466	.760	.892
Range	4	4	4
Minimum	1	1	1
Maximum	5	5	5

The following coded values are applicable for this project. These are

1 = Very Poor

2 = Poor

3 = Neutral

4 = Good

5 = Very Good

The above central tendency statistical results for Q10 to Q12 reveal the following:

**Mean:**

The mean results are as follows:

- Q10 has a mean value of 4.00 which reveals that the respondents have articulated an average perception of **Good**; and
- Q11, Q12 have a mean value of 3.00 which reveals that the respondents have articulated an average perception of **Neutral**.



### **Median**

- Q10 has a median value of 4.00, which indicates that respondents have articulated a good perception; and
- Q11, Q12 have a median value of 3.00, which indicates a **Neutral** perception of the respondents.

### **Mode**

- Q10 and Q12 have a mode value of 4.00, which indicates a **Good** perception of the respondents; and
- Q11 has a mode value of 3.00, which indicates a **Neutral** perception of the respondents.

### **The Standard Deviation**

Q10 to Q12 have a standard deviation between 0.872 to 1.211 which reveals that these variables have a **variation** in the respondents' perceptions.

### **Variance**

Q10 to Q12 have a variance between 0.760 to 1.466 which reveals that all these variables have a **difference** in the respondents' perceptions.

### **Range**

Q10 to Q12 have a range value of 4 which indicates that these variables have a difference in the respondents' perceptions. The difference between the minimum and maximum is 4 and respondents have expressed all types of opinions towards the study questions.

### **Minimum**

Q10 to Q12 have a minimum value of 1 which indicates that respondents have articulated a minimum or least perception of **Very Poor**.

### **Maximum**

Q10 to Q12 has maximum value 5; it indicates respondents have articulated a maximum or highest perception of **Very Good**.

## 4.5 CORRELATIONS

### 4.5.1 Definition of correlations

Correlation analysis examines the strength of the identified association between variables. Pearson's Correlation Matrix indicates the direction, strength and significance of the bivariate relationship among the variables in the study. Generally, correlation tests are used to find out if any significant relationship exists between study variables. Correlation tests are also used to determine which two study variables are dependent or independent of each other and find out if they have the direction and strength of dependency.

Correlation statistical tests are used to explore or describe the strength and direction of the linear relationship between two continuous dependent variables (e.g. Likert scale measures). Pearson correlation coefficient (**r**) can only take on values from **-1 to +1**.

### 4.5.2 Any correlation can reveal the following conclusions or results:

- Significance of correlation;
- If significant, whether it is positive or negative (Direction of correlation);
- Strength of the correlation; and
- The **+** sign in the front indicates whether there is a positive correlation (As one variable increases, so too does the other) or the **-** sign in the front indicates a negative correlation (as one variable increases, the other variable decreases). The size of the absolute value (ignoring the sign) provides an indication of the strength of the relationship.

### 4.5.3 Interpretation of Questions 7.1 – 7.11

#### Interpretation Rule:

- If the **p** value is less than or equal to **0.05**, statistically there is a significant correlation; and

- If **p** value is greater than **0.05**, statistically there is **NO** significant correlation.

**Table 4-26: Correlations Question 7**

		Q7.7	Q7.8	Q7.9	Q7.10	Q7.11
Q7.1	Pearson Correlation	.872	.832	.818	.848	.887
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	400	400	400	400	400
Q7.2	Pearson Correlation	.890	.855	.892	.866	.860
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	400	400	400	400	400
Q7.3	Pearson Correlation	.820	.763	.932	.784	.822
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	400	400	400	400	400
Q7.4	Pearson Correlation	.903	.815	.891	.836	.860
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	400	400	400	400	400
Q7.5	Pearson Correlation	.877	.855	.881	.880	.955
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	400	400	400	400	400
Q7.6	Pearson Correlation	.822	.801	.822	.938	.865
	Sig. (2-tailed)	.000	.000	.000	.000	.000
	N	400	400	400	400	400

The above correlation results reveal that:

- Q7.1 with Q7.7, Q7.8, Q7.9, Q7.10, Q7.11 have a **p** value of **0.00**. This **p** value is less than **0.05** which indicates that Q7.1 with Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 **have a statistically significant correlation**. The positive sign in front of Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 indicates a positive correlation. The Pearson product correlation coefficient **r** values are 0.872, 0.832, 0.818, 0.848, 0.887 which indicate a strong correlation between Q7.1 and Q7.7, Q7.8, Q7.9, Q7.10 and Q7.11;
- Q7.2 with Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 have a **p** value of **0.00**. This **p** value is less than **0.05** which indicates that Q7.2 with Q7.7, Q7.8, Q7.9, Q7.10, Q7.11 **have a statistically significant correlation**. The positive sign in front of Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 indicates a positive correlation. The Pearson product correlation coefficient **r** values are 0.890, 0.855, 0.892, 0.866, 0.860 which indicate a strong correlation between Q7.2 and Q7.7, Q7.8, Q7.9, Q7.10 and Q7.11;
- Q7.3 with Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 have a **p** value of **0.00**. This **p** value is less than **0.05** which indicates that Q7.3 with Q7.7, Q7.8, Q7.9, Q7.10, Q7.11 **have a statistically significant correlation**. The positive sign in front of Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 indicates a positive correlation. The Pearson product correlation coefficient **r** values are 0.820, 0.763, 0.832, 0.784, 0.822 which indicate a strong correlation between Q7.3 and Q7.7, Q7.8, Q7.9, Q7.10 and Q7.11;
- Q7.4 with Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 have a **p** value of **0.00**. This **p** value is less than **0.05** which indicates that Q7.4 with Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 **have a statistically significant correlation**. The positive sign in front of Q7.7, Q7.8, Q7.9, Q7.10, Q7.11 indicates a positive correlation. The Pearson product correlation coefficient **r** values are 0.903, 0.815, 0.891, 0.836 and 0.860 which indicate a strong correlation between Q7.4 and Q7.7, Q7.8, Q7.9, Q7.10, Q7.11.
- Q7.5 with Q7.7, Q7.8, Q7.9, Q7.10, Q7.11 have a **p** value of **0.00**. This **p** value is less than **0.05** which indicates that Q7.5 with Q7.7, Q7.8,

Q7.9, Q7.10, and Q7.11 **have a statistically significant correlation**. The positive sign in front of Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 indicates a positive correlation. The Pearson product correlation coefficient  $r$  values are 0.877, 0.855, 0.881, 0.880, and 0.955 which indicate a strong correlation between Q7.5 and Q7.7, Q7.8, Q7.9, Q7.10 and Q7.11; and

- Q7.6 with Q7.7, Q7.8, Q7.9, Q7.10, Q7.11 have a  $p$  value of **0.00**. This  $p$  value is less than **0.05** which indicates that Q7.6 with Q7.7, Q7.8, Q7.9, Q7.10, and Q7.11 **have a statistically significant correlation**. The positive sign in front of Q7.7, Q7.8, Q7.9, Q7.10 and Q7.11 indicates a positive correlation. The Pearson product correlation coefficient  $r$  values are 0.822, 0.801, 0.822, 0.938 and 0.865 which indicate a strong correlation between Q7.6 and Q7.7, Q7.8, Q7.9, Q7.10 and Q7.11.

#### 4.5.4 Interpretation of Questions 8.1 – 8.3

**Table 4-27: Correlations Question 8**

	Q7. 7	Q7. 8	Q7. 9
Q8.1 Pearson Correlation	1	0.726	0.787
Sig. (2-tailed)	.	0	0
N	400	400	400
Q8.2 Pearson Correlation	0.726	1	0.796
Sig. (2-tailed)	0	.	0
N	400	400	400
Q8.3 Pearson Correlation	0.787	0.796	1
Sig. (2-tailed)	0	0	.
N	400	400	400

- Q8.1 with Q8.2 and Q8.3 have a  $p$  value of **0.00**. This  $p$  value is less than **0.05** which indicates that Q8.1 with Q8.2 and Q8.3 **have a statistically significant correlation**. The positive sign in front of Q8.2 and Q8.3 indicates a positive correlation. The Pearson product correlation coefficient  $r$  values are 0.726 and 0.787 which indicate a strong correlation between Q8.1 and Q8.2 and Q8.3;
- Q8.2 with Q8.1 and Q8.3 have a  $p$  value of **0.00**. This  $p$  value is less than **0.05** which indicates that Q8.2 with Q8.1 and Q8.3 **have a statistically**

**significant correlation.** The positive sign in front of Q8.1 and Q8.3 indicates a positive correlation. The Pearson product correlation coefficient  $r$  values are 0.726 and 0.796 which indicate a strong correlation between Q8.2 and Q8.1 and Q8.3; and

- Q8.3 with Q8.1 and Q8.2 have a  $p$  value of **0.00**. This  $p$  value is less than **0.05** which indicates Q8.3 with Q8.1 and Q8.2 **have a statistically significant correlation.** The positive sign in front of Q8.1, Q8.2 indicates a positive correlation. The Pearson product correlation coefficient  $r$  values are 0.787 and 0.796 which indicate a strong correlation between Q8.3 and Q8.1 and Q8.2.

#### 4.5.5 Interpretation of Questions 10 – 12

**Table 4-28: Correlations Q10 – Q 12**

		Q10	Q11	Q12
Q10	Pearson Correlation	1	0.866	0.88
	Sig. (2-tailed)	.	0	0
	N	400	400	400
Q11	Pearson Correlation	0.866	1	0.852
	Sig. (2-tailed)	0	.	0
	N	400	400	400
Q12	Pearson Correlation	0.88	0.852	1
	Sig. (2-tailed)	0	0	.
	N	400	400	400

- Q10 with Q11 and Q12 have a  $p$  value of **0.00**. This  $p$  value is less than **0.05** which indicates that Q10 with Q11 and Q12 **have a statistically significant correlation.** The positive sign in front of Q11 and Q12 indicates a positive correlation. The Pearson product correlation coefficient  $r$  values are 0.866 and 0.880 which indicate a strong correlation between Q10 and Q11 and Q12;
- Q11 with Q10 and Q12 have a  $p$  value of **0.00**. This  $p$  value is less than **0.05** which indicates that Q11 with Q10 and Q12 **have a statistically significant correlation.** The positive sign in front of Q10 and Q12 indicates a positive correlation. The Pearson product correlation

coefficient  $r$  values are 0.866 and 0.852 which indicate a strong correlation between Q11 and Q10 and Q12; and

- Q12 with Q10 and Q11 have a  $p$  value of **0.00**. This  $p$  value is less than **0.05** which indicates that Q12 with Q10 and Q11 **have a statistically significant correlation**. The positive sign in front of Q10, Q11 indicates a positive correlation. The Pearson product correlation coefficient  $r$  values are 0.880 and 0.852 which indicate a strong correlation between Q12 and Q10 and Q11.

## 4.6 T-TEST

### 4.6.1 T-test Gender of Questions 7.1 – 7.11

**Table 4-29: T-Test Question 7**

		t	df	Sig. (2- tailed)
Q7.1: Accuracy of the checkout	Equal Variances assumed	.412	398	.680
Q7.2: Friendliness of the employees	Equal Variances assumed	2.623	398	.009
Q7.3: Attentiveness of the employees	Equal Variances assumed	-.133	398	.894
Q7.4: Additional service such as wrapping	Equal Variances assumed	2.788	398	.006
Q7.5: Stock or availability of products	Equal Variances assumed	1.741	398	.082
Q7.6: Variety and selection of products	Equal Variances assumed	.591	398	.555
Q7.7: The product knowledge of shop	Equal Variances assumed	4.762	398	.000
Q7.8: The helpfulness of shop assistants	Equal Variances assumed	.591	398	.555
Q7.9: Ability to find what you need quickly	Equal Variances assumed	2.781	398	.006
Q7.10: Neatness and orderliness of displays	Equal Variances assumed	1.327	398	.185
Q7.11: Positive feeling or sense of fun you get	Equal Variances assumed	1.257	398	.209



**Interpretation:**

- The T-test results indicate the **p** significant values are above **0.05** (for Q7.1, Q7.3, Q7.5, Q7.6, Q7.8, Q7.10 and Q7.11), which reveal that statistically there is **NO significant difference** between the gender groups towards the study statements Q7.1, Q7.3, Q7.5, Q7.6, Q7.8, Q7.10 and Q7.11. This finding means that males and females have almost similar types of perceptions towards the study variables and that no big differences exist in male and female opinions towards accuracy, attentiveness, stock, variety, helpfulness, neatness and feeling; and
- The T-test results indicate the **p** significance values are below **0.05** (for Q7.2, Q7.4, Q7.7 and Q7.9) which reveal that statistically there is **significant difference** between the gender groups towards the study statements Q7.2, Q7.4, Q7.7, and Q7.9. This finding means that males and females have different types of perceptions towards the study variables and a huge difference exists in male and female opinions towards friendliness, additional service, product knowledge and find quickly.

**4.6.2 T-test Gender of Question 8.1 – 8.3**

**Table 4-30: T-Test Question 8**

	t	df	Sig. (2- tailed)
Q8.1: Safety and security at Pick' n Pay Equal variances assumed	-2.058	398	0.04
Q8.2: Prices paid for quality received Equal variances assumed	-1.609	398	0.108
Q8.3: Your overall satisfaction with Pick' n Pay Equal variances assumed	2.271	398	0.024

**Interpretation:**

- The T-test results indicate the **p** significance values are above **0.05** (for Q8.2) which reveal that statistically there is **NO significant difference**

between the gender groups towards the study statement Q8.2. This finding means that males and females have almost similar types of perceptions towards the study variables and that no big difference exists in male and female opinions towards prices paid for quality; and

- The T-test results, the **p** significance values are below **0.05** (for Q8.1 and Q8.3) which reveal that statistically there is **significant difference** between the gender groups towards the study statements Q8.1 and Q8.3. This finding means that males and females have different types of perceptions towards the study variables and a huge difference exists in male and female opinions towards overall satisfaction.

#### 4.6.3 T-test Gender of Questions 10 - 12

**Table 4-31: T-Test Q10 – Q12**

		t	df	Sig. (2-tailed)
Q10: Forget Pick' n Pay for a moment. Imagine an ideal chain store. How well do you think Pick' n Pay compares to that ideal store?	Equal Variances assumed	5.659	398	0
Q11: What is the likelihood that you will visit Pick' n Pay again in the near future?	Equal Variances assumed	6.111	398	0
Q12: Will you recommend Pick' n Pay to others.	Equal Variances assumed	5.25	398	0

#### **Interpretation:**

The T-test results, the **p** significance values are below **0.05** (for Q10, Q11, and Q12) which reveal that statistically there is **significant difference** between the gender groups towards the study statements Q10, Q11, and Q12. This finding means that male and females have different types of perceptions towards the study variables and a huge difference exists in male and female opinions towards imagine an ideal chain store, likelihood chain to visit and recommend to others.

## 4.7 ANOVA TEST

### 4.7.1 Age Groups

**Table 4-32: ANOVA Age Group Q7.1 – Q7.6**

**ANOVA: Age groups**

		df	F	Sig.
Q7.1: Accuracy of the checkout	Between Groups	4	56.220	.000
	Within Groups	395		
	Total	399		
Q7.2: Friendliness of the employees	Between Groups	4	97.871	.000
	Within Groups	395		
	Total	399		
Q7.3: Attentiveness of the employees	Between Groups	4	77.921	.000
	Within Groups	395		
	Total	399		
Q7.4: Additional service such as wrapping	Between Groups	4	59.567	.000
	Within Groups	395		
	Total	399		
Q7.5: Stock or availability of products	Between Groups	4	56.011	.000
	Within Groups	395		
	Total	399		
Q7.6: Variety and selection of products	Between Groups	4	46.420	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in perceptions of different age groups towards the study variables Q7.1 to Q7.6 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that the different age groups have different opinions towards accuracy and variety and a huge difference exists in the different age groups' opinions towards accuracy and variety.

**Table 4-33: ANOVA Age Group Q7.7 – Q7.11****ANOVA: Age groups**

		t	df	Sig. (2-tailed)
Q7.7: The product knowledge of shop assistants	Between Groups	4	269.103	.000
	Within Groups	395		
	Total	399		
Q7.8: The helpfulness of shop assistants	Between Groups	4	246.42	.000
	Within Groups	395		
	Total	399		
Q7.9: Ability to find what you need quickly	Between Groups	4	257.373	.000
	Within Groups	395		
	Total	399		
Q7.10: Neatness and orderliness of displays	Between Groups	4	246.037	.000
	Within Groups	395		
	Total	399		
Q7.11: Positive feeling or sense of fun you get when walking through the store	Between Groups	4	224.937	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of different age groups towards the study variables Q7.7 to Q7.11 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that the different age groups have different opinions towards product knowledge and feeling and a huge difference exists in the different age groups' opinions towards product knowledge and feeling.

**Table 4-34: ANOVA Age Group Q8.1 – Q8.3****ANOVA: Age groups**

		df	f	Sig. (2-tailed)
Q8.1: Safety and security at Pick' n Pay	Between Groups	4	448.913	.000
	Within Groups	395		
	Total	399		
Q8.2: Prices paid for quality received	Between Groups	4	401.384	.000
	Within Groups	395		
	Total	399		
Q8.3: Your overall satisfaction with Pick' n Pay	Between Groups	4	436.51	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of different age groups towards the study variables Q8.1 to Q8.3 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that different age groups have different opinions towards safety and overall satisfaction and a huge difference exists in the different age groups' opinions towards safety and overall satisfaction.

**Table 4-35: ANOVA Age Group Q10 – Q12**

**ANOVA: Age Groups**

		df	F	Sig.
Q10: Forget Pick' n Pay for a moment. Imagine an ideal chain store. How well do you think Pick' n Pay compares to that ideal store?	Between Groups	4	292.324	.000
	Within Groups	395		
	Total	399		
Q11: What is the likelihood that you will visit Pick' n Pay again in the near future?	Between Groups	4	233.872	.000
	Within Groups	395		
	Total	399		
Q12: Will you recommend Pick' n Pay to others.	Between Groups	4	251.015	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of different age groups towards the study variables Q10 to Q12 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that different age groups have different opinions towards imagine an ideal chain store and recommend to others and a huge difference exists in the different age groups' opinions towards imagine an ideal chain store and recommend to others.

#### 4.7.2 Race Groups

**Table 4-36: ANOVA Race Group Q7.1 – Q7.6**

**ANOVA: Race groups**

		df	F	Sig.
Q7.1: Accuracy of the checkout	Between Groups	4	415.002	.000
	Within Groups	395		
	Total	399		
Q7.2: Friendliness of the employees	Between Groups	4	355.189	.000
	Within Groups	395		
	Total	399		
Q7.3: Attentiveness of the employees	Between Groups	4	199.916	.000
	Within Groups	395		
	Total	399		
Q7.4: Additional service such as wrapping	Between Groups	4	315.610	.000
	Within Groups	395		
	Total	399		
Q7.5: Stock or availability of products	Between Groups	4	251.784	.000
	Within Groups	395		
	Total	399		
Q7.6: Variety and selection of products	Between Groups	4	344.249	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of different race groups towards the study variables Q7.1 to Q7.6 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that the different race groups have different opinions towards accuracy and variety and a huge difference exists in the different race groups' opinions towards accuracy and variety.

**Table 4-37: ANOVA Race Group Q7.7 – Q7.11****ANOVA: Race groups**

		t	df	Sig. (2-tailed)
Q7.7: The product knowledge of shop assistants	Between Groups	4	300.193	.000
	Within Groups	395		
	Total	399		
Q7.8: The helpfulness of shop assistants	Between Groups	4	344.249	.000
	Within Groups	395		
	Total	399		
Q7.9: Ability to find what you need quickly	Between Groups	4	281.149	.000
	Within Groups	395		
	Total	399		
Q7.10: Neatness and orderliness of displays	Between Groups	4	309.726	.000
	Within Groups	395		
	Total	399		
Q7.11: Positive feeling or sense of fun you get when walking through the store	Between Groups	4	220.819	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of different race groups towards the study variables Q7.7 to Q7.11 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that the different race groups have different opinions towards product knowledge and feeling and a huge difference exists in the different race groups' opinions towards product knowledge and feeling.

**Table 4-38: ANOVA Race Group Q8.1 – Q8.3****ANOVA: Race groups**

		df	f	Sig. (2-tailed)
Q8.1: Safety and security at Pick' n Pay	Between Groups	4	275.622	.000
	Within Groups	395		
	Total	399		
Q8.2: Prices paid for quality received	Between Groups	4	532.014	.000
	Within Groups	395		
	Total	399		
Q8.3: Your overall satisfaction with Pick' n Pay	Between Groups	4	379.943	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of different race groups towards the study variables Q8.1 to Q8.3 because these variables have a **p** significance value of **0.00** which is below **0.05**. This finding means that different race groups have different opinions towards safety and overall satisfaction and a huge difference exists in the different race groups' opinions towards safety and overall satisfaction.

**Table 4-39: ANOVA Race Group Q10 – Q12**

**ANOVA: Race groups**

		t	df	Sig.
Q10: Forget Pick' n Pay for a moment. Imagine an ideal chain store. How well do you think Pick' n Pay compares to that ideal store?	Between Groups	4	266.829	.000
	Within Groups	395		
	Total	399		
Q11: What is the likelihood that you will visit Pick' n Pay again in the near future?	Between Groups	4	237.672	.000
	Within Groups	395		
	Total	399		
Q12: Will you recommend Pick' n Pay to others.	Between Groups	4	280.259	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of different race groups towards the study variables Q10 to Q12 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that different race groups have different opinions towards imagine an ideal chain store and recommend to others and a huge difference exists in the different race groups' opinions towards imagine an ideal chain store and recommend to others.



### 4.7.3 Education Level

**Table 4-40: ANOVA Education Level Q7.1 – Q7.6**

#### ANOVA: Education

		df	F	Sig.
Q7.1: Accuracy of the checkout	Between Groups	4	392.785	.000
	Within Groups	395		
	Total	399		
Q7.2: Friendliness of the employees	Between Groups	4	212.051	.000
	Within Groups	395		
	Total	399		
Q7.3: Attentiveness of the employees	Between Groups	4	198.250	.000
	Within Groups	395		
	Total	399		
Q7.4: Additional service such as wrapping	Between Groups	4	152.375	.000
	Within Groups	395		
	Total	399		
Q7.5: Stock or availability of products	Between Groups	4	281.486	.000
	Within Groups	395		
	Total	399		
Q7.6: Variety and selection of products	Between Groups	4	197.111	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of people with different education levels towards the study variables Q7.1 to Q7.6 because these variables have a **p** significance value of **0.00** which is below **0.05**. This finding means that people with different education levels have different opinions towards accuracy and variety and a huge difference exists in the people's opinions towards accuracy and variety.

**Table 4-41: ANOVA Education Level Q7.7 – Q7.11**

**ANOVA: Education**

		t	df	Sig. (2-tailed)
Q7.7: The product knowledge of shop assistants	Between Groups	4	201.81	.000
	Within Groups	395		
	Total	399		
Q7.8: The helpfulness of shop assistants	Between Groups	4	197.111	.000
	Within Groups	395		
	Total	399		
Q7.9: Ability to find what you need quickly	Between Groups	4	173.689	.000
	Within Groups	395		
	Total	399		
Q7.10: Neatness and orderliness of displays	Between Groups	4	210.758	.000
	Within Groups	395		
	Total	399		
Q7.11: Positive feeling or sense of fun you get when walking through the store	Between Groups	4	262.183	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of people with different education levels towards the study variables Q7.7 to Q7.11 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that people with different education levels, have different opinions towards product knowledge and feeling and a huge difference exists in the people's opinions towards product knowledge and feeling.

**Table 4-42: ANOVA Education Level Q8.1 – Q8.3**

**ANOVA: Education**

		df	f	Sig. (2-tailed)
Q8.1: Safety and security at Pick' n Pay	Between Groups	4	156.848	.000
	Within Groups	395		
	Total	399		
Q8.2: Prices paid for quality received	Between Groups	4	177.277	.000
	Within Groups	395		
	Total	399		
Q8.3: Your overall satisfaction with Pick' n Pay	Between Groups	4	315.848	.000
	Within Groups	395		
	Total	399		

**Interpretation** The ANOVA test results reveal that there is **statistically significant difference** in the perceptions of people with different education levels towards the study variables Q8.1 to Q8.3 because these variables have a p significance value of **0.00**, which is below **0.05**. This finding means that people with different education levels have different opinions towards safety and overall satisfaction and a huge difference exists in the people's opinions towards safety and overall satisfaction.

**Table 4-43: ANOVA Education Level Q10 – Q12**

**ANOVA: Education**

		t	df	Sig.
Q10: Forget Pick' n Pay for a moment. Imagine an ideal chain store. How well do you think Pick' n Pay compares to that ideal store?	Between Groups	4	162.169	.000
	Within Groups	395		
	Total	399		
Q11: What is the likelihood that you will visit Pick' n Pay again in the near future?	Between Groups	4	125.281	.000
	Within Groups	395		
	Total	399		
Q12: Will you recommend Pick' n Pay to others.	Between Groups	4	166.733	.000
	Within Groups	395		
	Total	399		

**Interpretation:** The ANOVA test results reveal that there is a **statistically significant difference** in the perceptions of people with different education levels towards the study variables Q10 to Q12 because these variables have a **p** significance value of **0.00**, which is below **0.05**. This finding means that people with different education levels have different opinions towards imagine an ideal chain store and recommend to others and a huge difference exists in the people’s opinions towards imagine an ideal chain store and recommend to others.

#### 4.8 CHI-SQUARE TEST

##### 4.8.1 Q9.1 Vs Q9.2

**Table 4-44: Chi-Square Test: Q9.1 Vs Q9.2**

**Chi-Square Test**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	476.074	4	.000
Likelihood Ratio	441.156	4	.000
Linear-by-linear Association	299.902	1	.000
N of Valid Cases	400		

**Interpretation:** The Chi-square ( $\chi$ ) test result indicates a **p** value of **0.000**, which is below 0.05. This result reveals that **there is a statistically significant relationship** between statements Q9.1 and Q9.2. The location and the operation hours are dependent on each other.

#### 4.8.2 Q9.1 Vs Q9.3

**Table 4-45: Chi-Square Test: Q9.1 Vs Q9.3**

##### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	444.698	4	.000
Likelihood Ratio	426.11	4	.000
Linear-by-linear Association	279.179	1	.000
N of Valid Cases	400		

**Interpretation:** The Chi-square ( $\chi$ ) test result indicates a **p** value of **0.000**, which is below 0.05. This result reveals that **there is a statistically significant relationship** between statements Q9.1 and Q9.3. The location and the rest-rooms are dependent on each other.

#### 4.8.3 Q9.1 VS Q9.4

**Table 4-46: Chi-Square Test: Q9.1 Vs Q9.4**

##### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	423.804	4	.000
Likelihood Ratio	478.570	4	.000
Linear-by-linear Association	313.059	1	.000
N of Valid Cases	400		

**Interpretation:** The Chi-square ( $\chi$ ) test result indicates a **p** value of **0.000**, which is below 0.05. This result reveals that **there is a statistically**

**significant relationship** between statements Q9.1 and Q9.4. The location and the parking are dependent on each other.

#### 4.8. 4 Q9.2 VS Q9.3

**Table 4-47: Chi-Square Test: Q9.2 Vs Q9.3**

##### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	708.141	4	.000
Likelihood Ratio	620.346	4	.000
Linear-by-linear Association	358.835	1	.000
N of Valid Cases	400		

**Interpretation:** The above Chi-square ( $\chi$ ) test result indicates a **p** value of **0.000**, which is below 0.05. This result reveals that **there is a statistically significant relationship** between statements Q9.2 and Q9.3. The operation hours and the rest-rooms and are dependent on each other.

#### 4.8.5 Q9.2 VS Q9.4

**Table 4-48: Chi-Square Test: Q9.2 Vs Q9.4**

##### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	461.718	4	.000
Likelihood Ratio	543.563	4	.000
Linear-by-linear Association	323.309	1	.000
N of Valid Cases	400		

**Interpretation:** The above Chi-square ( $\chi$ ) test result indicates a **p** value of **0.000**, which is below 0.05. This result reveals that **there is a statistically significant relationship** between statements Q9.2 and Q9.4. The operation hours and the parking are dependent on each other.

#### 4.8.6 Q9.3 VS Q9.4

**Table 4-49: Chi-Square Test: Q9.3 Vs Q9.4**

##### Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	482.890	4	.000
Likelihood Ratio	566.590	4	.000
Linear-by-linear Association	319.536	1	.000
N of Valid Cases	400		

**Interpretation:** The above Chi-square ( $\chi$ ) test result indicates a **p** value of **0.000**, which is below 0.05. This result reveals that **there is a statistically significant relationship** between statements Q9.3 and Q9.4. The rest-rooms and the parking are dependent on each other.

#### 4.9 RELIABILITY ANALYSIS – SCALE (ALPHA)

Reliability Coefficients

N of Cases = 400.0

N of Items = 17

**Alpha = 0.9676**

**Interpretation:** Reliability analysis for the questionnaire's continuous variables reveals that the Cronbach's alpha value is **0.9676**, which is above 0.7. This finding indicates that this research instrument (Questionnaire) has the internal consistency and reliability of questionnaire variables.

#### **4.10 CONCLUSION**

This chapter presented the results of the study using both descriptive and inferential statistics. These statistics provided a description and interpretation of results using various ways. The results identify significant relationships and differences between the variables of the study and also point out areas that require improvement. Those findings have been contextualised within the broader framework of this study.

The next and final chapter will outline a summary of the theoretical orientation; indicate achievements of research objectives; present recommendations; and determine the possibility for further research.



## **CHAPTER FIVE**

### **SUMMARY, RECOMMENDATIONS AND CONCLUSION**

#### **5.1 INTRODUCTION**

In the previous chapter, the empirical research was analysed and interpreted using descriptive and inferential statistics. Statistical tests that were used to analyse and interpret data include the analysis of variance (ANOVA); central tendency descriptive statistics; Chi-Square test; correlations and T-Test. The study also provides a practical discussion of customer service.

This chapter includes the summary of the theoretical study and empirical study used during the study period and determining factors that influence customer service in the selected chain stores. Based on the results obtained in the study, a discussion of theoretical and practical implications is presented in this chapter. Finally, a presentation of recommendations for future research is made.

#### **5.2 SUMMARY OF THEORETICAL STUDY**

The goal of the research was to evaluate customer service provided by Pick' n Pay stores in the greater Durban area. According to the main problem and sub-problems that arose, the research design and chapter outline was established.

Chapter two gave an overview of the related literature regarding customer service. The literature survey explained the concepts of customer service and customer satisfaction, the meaning of superior customer service and the importance of customer loyalty and retention. It was found that there is intense competition among participants in the retailing industry in South Africa. The

researcher, therefore, believed that a key differentiating factor in the retailing industry is customer service.

### **5.3 EMPIRICAL STUDY**

An empirical study was orientated in a quantitative format, namely the questionnaires in the form of customer service at Pick' n Pay stores survey which included 400 respondents. Subsequently, the findings of the empirical study were described in chapter Four.

The reasoning processes against the base of an argument that support the conclusion for this study were done using the scientific research methods of inductive logic. This study was conducted following the logical stages of planning and framing; the gathering and recording of secondary data; the analysis of data from respondents and the interpretation of study results as well as report writing.

#### **Stages followed in carrying out this research are discussed below:**

- **Planning and framing**

The researcher identified the problems, was interested with the topic, set out goals and objectives of the study, developed a formal research proposal and worked out the timetable for the project. Preliminary reading of books, journals and articles enabled the researcher to properly frame the research statement and formulate the questions around the secondary data.

- **Gathering and recording secondary data**

The researcher investigated the relevant information, labelled and categorized the data. Questionnaires were drawn and delivered to the selected chain stores.

- **Analyzing data and interpreting study results**

The research is quantitative in nature, and the raw data collected from respondents were coded in a form of language that can be written clearly and unambiguously in standardized “tables” that can be used for analysis. The study analysis used involved summarizing data in a way that explains study concepts to the reader and using these data to test the research hypothesis.

- Writing a report

This involved the alignment of the problem statement to the theoretical foundation and study findings, and the presentation of these findings are acceptable for a report format.

## **5.4 DEMOGRAPHIC FACTORS AND CUSTOMER SERVICE IN PICK’ N PAY**

### **5.4.1 Gender group**

The analyzed results showed that female customers are frequently more involved in shopping at Pick’ n Pay store than males. The majority of the female customers are aged between 36-45 years. However, in terms of the overall satisfaction of services provided by Pick’ n Pay, the majority of both male and female customers are satisfied. The results indicated that the gender groups do not have different opinions towards the customer service provided by Pick’ n Pay stores. There is no huge difference between the gender groups.

### **5.4.2 Age group**

The study showed that the majority of Pick’ n Pay customers are aged between 36-45 years. The research results also indicated that there are statistically significant differences in perceptions of different age groups towards the study variables, i.e. different age groups have different opinions towards the customer service provided by Pick’ n Pay stores.

### **5.4.3 Racial group**

The research results showed that more Black respondents are satisfied with the customer service provided by Pick' n Pay stores than White; and more White respondents are satisfied with the received services than Indian. This finding indicated that different racial groups have different opinions towards the customer service provided by Pick' n Pay stores.

It is recommended that management take into consideration the demographical data of customers, since different genders, ages and racial groups have different needs and, therefore, will respond differently.

## **5.5 THE OBJECTIVES TO BE ACHIEVED**

The extent to which the study achieved practical results, successfully, is important. The achievement of research objectives are briefly discussed below:

The first objective was to present a comprehensive framework of customer service theory and practice. Chapter two has researched literature and provided an understanding of the concept of customer service. Therefore, the first objective has been achieved.

The second objective was to design an appropriate instrument to ascertain the perceptions of Pick 'n Pay clients with regard to customer service at selected stores and to respond to the findings of the empirical study. Chapter four has reported empirical findings from questionnaires. Chapter five has provided conclusions and recommendations to resolve the second objective. Therefore, the second objective has been achieved.

## **5.6 RECOMMENDATIONS**

### **5.6.1 Recommendations based on research design**

- **Sample – Geographical Region**

In this study, respondents were selected from only the greater Durban area. It will be beneficial to extend the study to other Pick' n Pay stores in KwaZulu-Natal and also in the other provinces in order to assess the perceptions of these respondents in further studies. The opinions of customers in other areas will enable the researcher to compare and contrast the results between geographical regions.

- **Sampling Technique**

In this study, convenience sampling was used. It would be advisable to use the stratified sampling technique. This will allow the researcher to compare results across provinces. This sampling technique, which is the most efficient probability design, is a good choice when differentiated information is needed regarding where the population is known to differ in its parameters. It also ensures homogeneity within each stratum, that is, there will be very few differences on the variable of interest within each stratum.

### **5.6.2 Recommendations based on finding**

The research has led to some important recommendations. Effective customer service is a key for retailers to survive in this competitive industry. Retailers must take special consideration of customer service all the time.

#### **5.6.2.1 Employees must understand the importance of customer service**

Retailers must know the importance of increasing contact with customers to help to build loyalty. Consideration must be given to customers' expectations

of the staff's knowledge towards the products and services and providing the customer with professional help. It is essential that employees supply sufficient information to provide customers with the standard of service they want and establish strong relationships. Ongoing training for shop assistants is vital. Employees must be trained to create value for customers through information, resources, support and rewards.

#### **5.6.2.2 Communication**

In this study, a large number of respondents indicated that communication is important between themselves and the stores. Constant communication is essential in ensuring that the stores understand their customer wants and needs. The following can be done to ensure that there is a communication channel between customers and stores:

- Arrange meetings with customers to encourage face-to-face communication;
- Managers should be encouraged to accept responsibility for the communication process;
- Take serious consideration of customer complaints, and provide regular, timely, clear and objective feedback or performance;
- An open door policy should be established to encourage employees to speak to superiors;
- Share more information with other customers.

#### **5.6.3 Recommendation for Future Study**

- The direction for future research in this area of study is abundant. Future studies should look at other dimensions such as service quality.

- Studies with random sampling are suggested to offer a clearer picture of the consumer profile and to gather more representative information of the population.
- This study only looked at Pick' n Pay stores in the greater Durban area; future research can be undertaken among the different chain stores such as Shoprite, Checkers, Spar and Game discount stores in the KwaZulu-Natal province.

## **5.7 CONCLUSION**

Overall, this study has highlighted customer service in Pick' n Pay stores around the greater Durban area and the need to improve it. Issues relating to customer satisfaction and customer complaints were also discussed. It is commonly believed that the importance of customer service is at an all-time high in major chain stores. In today's volatile economy, providing excellent customer service can be the critical difference in any company's success. With ever improving customer service in the retail industry, retailers face the ongoing challenge of gaining competitive advantage from creating added customer value. In order to accomplish this value, retailers have to constantly review their customer service strategies.

The recommendations and conclusions discussed in this chapter represent some of the actions that could possibly be taken by Pick' n Pay to improve customer service in its stores around the greater Durban area. There are no doubts, that other recommendations can be used successfully to enhance customer service. This study will have an impact on the services quality which will assist managers to increase customer satisfaction in Pick' n Pay stores in this region.

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## **ANNEXURE-A**

**Sir/Madam**

**14 November 2005**

I am studying for my Master's Degree in Technology Marketing at the Durban Institute of Technology. The research project is a study to evaluate the level of customer service offered to clients of Pick 'n Pay stores in the greater Durban area.

Your assistance in the completion of the questionnaire will be greatly appreciated, and will help towards the completion of this study. The questionnaire, once completed, will be confidential and the information supplied will be kept anonymous. Respondents will be protected when information is analysed.

Please note that there are no correct or wrong responses to the items or questions in the questionnaire. Through your responses, you will be making a valuable contribution to the study and the understanding of the present willingness of the public to participate in evaluating customer service.

Please complete the questionnaire as honestly and as accurately as possible.

I would like to take this opportunity to thank you in advance for your co-operation.

Yours faithfully

Masters Student: Jie Yao

Durban Institute of Technology

Student No: 20518133

**ANNEXURE-B**

**Questionnaire**

**1. Please indicate your gender. (Please tick one)**

Male  
Female


**2. Please indicate your age. (Please tick one)**

18-25  
26-35  
36-45  
46-55  
56 and above


**3. Please indicate your racial group. (Please tick one)**

African  
White  
Coloured  
Indian  
Other


**4. Please indicate your educational level? (Please tick one)**

Up to Grade 8  
Grade 9 - Grade 11  
Matric  
Diploma/Degree  
Other (Please specify).....


**5. How often do you shop at Pick 'n Pay?**

Everyday  
Twice a week  
Once a week  
Once a month  
Other (Please specify).....


**6. What do you like the most about shopping at Pick 'n Pay?**

Price	
Quality	
Display	
Shop assistants attitudes	
Variety of merchandise available	
Other (Please specify).....	

**7. Directions: the following set of ratings relate to perceptions about the customer service at Pick 'n Pay. For each statement, please indicate whether the service was very poor, poor, neither good nor poor, good or very good. (Tick where applicable)**

- 1.....very poor
- 2.....poor
- 3.....Neither good nor poor
- 4.....good
- 5.....very good

<b>Ratings</b>	1	2	3	4	5
7.1 Accuracy of the checkout					
7.2 Friendliness of the employees					
7.3 Attentiveness of the employees					
7.4 Additional service such as wrapping, alterations and repairs					
7.5 Stock or availability of products					
7.6 Variety and selection of products					
7.7 The product knowledge of shop assistants					
7.8 The helpfulness of shop assistants					
7.9 Ability to find what you need quickly					



**Ratings**

1 2 3 4 5

7.10 Neatness and orderliness of displays

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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7.11 Positive feeling or sense of fun you get when walking through the store

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**8. For each of the following please indicate whether you are very dissatisfied, dissatisfied, neither satisfied nor dissatisfied, satisfied, or very satisfied. (Tick where applicable)**

- 1.....very dissatisfied
- 2.....dissatisfied
- 3.....Neither satisfied nor dissatisfied
- 4.....satisfied
- 5.....very satisfied

**Statements**

1 2 3 4 5

8.1 Safety and security at Pick 'n Pay

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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8.2 Prices paid for quality received

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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8.3 Your overall satisfaction with Pick 'n Pay

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**9. For each of the following factors, please indicate whether the service was better or worse than expected or just as expected (tick where applicable)**

<b>Factors</b>	<b>Better than Expected</b>	<b>As expected</b>	<b>Worse than Expected</b>
Convenience of the location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hours of operation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of rest-rooms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Availability of parking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**10. Forget Pick 'n Pay for a moment. Imagine an ideal chain store. How well do you think Pick 'n Pay compares to that ideal store? Please indicate your response on a scale from 1 to 5, where "1" means the store is "not very close to the ideal" and "5" means the store is "very close to the ideal."**

1-5 Rating.....

**11. What is the likelihood that you will visit Pick 'n Pay again in the near future? Please indicate your rating by using the following five-point scale where "1" means "definitely will not visit again" and "5" means "definitely will visit again."**

1-5 Rating.....

**12. Will you recommend Pick 'n Pay to others?**

- Very Unlikely
- Unlikely
- Neither Unlikely nor Likely
- Likely
- Very Likely


***Thank you for your participation in the completion of this questionnaire!***