

**CUSTOMER SERVICE QUALITY  
AT GREAT WALL MOTOR (GWM) SERVICE CENTRES  
IN THE GREATER DURBAN AREA**

**By**

**Yue Yin**

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**23 April 2010**

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**Supervisor: Prof S. Penceliah**

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**Date**

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**Co-supervisor: Miss D. Veerasamy**

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**Date**

## DECLARATION

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.

Signed -----

Date -----

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## **ABSTRACT**

China was the world's third-largest producer of cars in 2006, and also the third-largest producer of "motor vehicles". Great Wall Motor Company Limited (GWM) is the largest privately-owned automotive manufacturer in China. It was among the Top 500 Enterprises of China in 2004 and one of the best brands in the national automobile range.

One of the more prominent industries in South Africa is the automobile industry. A high level of customer service is of paramount importance due to the competitive nature of this industry. Poor service at GWM service centres has created a negative perception amongst customers. GWM service centres do not appear to provide a satisfactory level of service for customers. The purpose of the study is to investigate customer perceptions of service quality at GWM service centres in the greater Durban area.

In this research, the literature survey defined the service quality "gap" at GWM service centres, identified the role of effective communication in the service delivery system, measured the variables affecting current service delivery using the SERVQUAL instrument, and prioritized the importance of the factors influencing service delivery at GWM service centres.

The analysis of the results revealed important findings. The results demonstrated that, in each of the five SERVQUAL dimensions, there was a negative quality gap. Improvements are needed across all five dimensions. Specific recommendations have been made to improve the levels of customer service quality at GWM service centres.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 INTRODUCTION**

Chinese motor vehicle manufacturers have emerged as major global players. According to data from the International Organization for Motor Vehicle Manufacturers (OICA), a trade association, China was the world's third-largest producer of cars in 2006, behind Japan and Germany, and also the third-largest producer of "motor vehicles" (which includes commercial vehicles like trucks and tractors), behind Japan and the United States. Chinese production accounted for nearly 7.2 million motor vehicles, over one-tenth of the world's total production. These production levels reflect 25.9 percent growth from 2005 production levels—U.S. production, by contrast, shrunk by 6 percent (Goodall, 2006).

Great Wall Motor Company Limited (GWM) is the largest privately-owned automotive manufacturer in China. It was among the Top 500 Enterprises of China in 2004 and one of the best brands in national automobile range.

GWM South Africa was launched in March 2007. Its head office is based in Midrand, Gauteng and a central parts distribution warehouse has been established in Durban. GWM SA's main aim is to provide honest, reliable and well-equipped vehicles to the broader South African market at exceptional prices and with outstanding service levels. Alternatively said, "Affordability need not compromise reliability, specification and customer service". GWM SA currently offers a range of vehicles from the standard Single Cab to the Double Cab and the Multi Wagon. However, plans are in place to enter the SUV and passenger car markets in the not too distant future (GWM South Africa, 2009).

Every organisation provides both a service and a product. As products and consumers

become more sophisticated, they require a larger input from service elements to make them effective. Many marketers believe that quality of service is the key business battleground (Murphy, 2003:11).

Organisations in the service sector are under increasing pressure to convince consumers that their services are customer-focused. In order to be financially competitive, it is imperative that customer expectations are properly understood and measured. From the customers' perspective, any gaps in service quality which are identified should be closed promptly.

## **1.2 PROBLEM STATEMENT**

One of the more prominent industries in South Africa is the automobile industry. A high level of customer service is of paramount importance due to the competitive nature of this industry. Poor service at GWM service centres has created a negative perception amongst customers (Thomaz, 2009). GWM service centres do not appear to provide a satisfactory level of service for customers. Furthermore, they are unclear what actions need to be taken to improve customer service.

## **1.3 AIMS AND OBJECTIVES**

### **1.3.1 Main Objective**

The purpose of the study is to investigate customer perceptions of service quality at GWM service centres in the greater Durban area.

### **1.3.2 Sub-objectives**

The sub-objectives of the study are:

- To identify the customers' expectations in terms of quality services provided;
- To ascertain the perception of customers towards the service provided by GWM service centres; and
- To identify the gaps between the five SERVQUAL dimensions.

#### **1.4 RATIONALE FOR THE STUDY**

Customer service plays an important role in the performance of the business. Customer service links directly with the cost, prices, profitability, output, and employment of the business. 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).

As international markets become more sophisticated, producers and sellers of services and products will have to make equivalent improvements to their whole way of operation. In a recent survey of international business people called *Service – the New Competitive Edge*, carried out by the John Humble for Management Centre in Europe, respondents consider service quality as the new key to competitive success in this century; and expect service quality to become more or much more important in the next ten years. Incidentally, businessmen believed that service quality will become much more important in the next ten years. In this survey, service is defined in the widest possible sense 'to reflect a company's service philosophy internally and externally, its service policy and procedures as well as the individual elements that go to make up an overall service concept' (Murphy, 2003:3-4).

Obviously, customers are no longer willing to overlook the lack of personal attention and poor service from marketers. Nowadays, knowledgeable South African customers 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, customers do not like to complain as dissatisfaction is stressful. However, complaining is a channel for communication between customers and marketers. Without this communication channel, companies are unable to become aware of the existing problems. As a result, customers will gradually move to competitors. It is, thus, necessary for companies to create a communication channel for customers. Research into customer service

quality provides this channel for companies and helps them to find existing problems. Companies are thus able to reduce the number of negative comments. This reduction results in the company converting negative perceptions to positive impressions. Consequently, customers will benefit from improved customer service quality (Bruhn and Georgi, 2006:76-78).

## **1.5 SCOPE OF THE STUDY**

This study is limited to the greater Durban area. The findings of this study can only describe service quality in this population, and it cannot be generalised to service quality of other industries or populations outside the greater Durban area. The study is only valid for the period in which the investigation is conducted. At best, this investigation can act as a guide to further research in this field.

## **1.6 STRUCTURE OF DISSERTATION CHAPTERS**

### **Chapter One: Introduction**

Chapter one is an introduction and highlights the motivation for the study. This chapter also focuses on the purpose and rationale for the study, research objectives and the problem area. The limitations of the study are also outlined in this chapter.

### **Chapter Two: Literature Review**

Chapter two comprises of a review of the literature on service quality relating to customer satisfaction in service industries. This chapter reviews customers' expectations and perceptions of service quality and, subsequently, how these factors influence customer satisfaction and service quality dimensions in organisations. It also presents a review of literature on the gaps model of service quality.

### **Chapter Three: Research Methodology**

Chapter three explains the research methodology used and, in particular, the data collection method, the questionnaire design, the sampling method and data analysis. An amended SERVQUAL instrument is used for the customers to assess the service

quality of GWM.

#### **Chapter Four: Analysis and Presentation of Results**

Chapter four presents the results of the survey. The explanation of the results starts with a discussion of the demographic information using frequencies and percentages. This discussion is followed by a comparison of customers' expectations and perceptions of service quality. The gaps between those expectations and perceptions are presented.

#### **Chapter Five: Conclusions and Recommendations**

Chapter five contains a summary of the previous chapters, and presents the conclusions and recommendations based on the empirical findings. Recommendations are made for future research.

### **1.7 CONCLUSION**

This chapter focuses on the following aspects: problem statement; aims and objectives; rationale for the study and structure of dissertation chapters.

The literature review is presented in the next chapter.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

In chapter one, the problem statement, objectives and the reasons for the study were discussed.

In this chapter, literature on different perspectives of service quality is presented. This chapter provides a brief overview of service, customer expectations and perceptions of service. It also explains the 'Gaps model', which is the basis of the measurement of service quality as an academic framework, and a precondition for the SERVQUAL model. The service delivery system is also discussed.

#### **2.2 CUSTOMER**

The word customer is derived from "custom," meaning "habit". Thus, a customer is someone who frequented a particular shop, who makes it a habit to purchase goods or services of the sort the shop sold rather than elsewhere, and with whom the shopkeeper has to maintain a relationship to keep his or her "custom," meaning expected purchase in the future (Lovelock, 2005:18).

Brassington and Pettitt (2006:25) indicate that a customer, also a client, buyer or purchaser is usually used to refer to a current or potential buyer or user of the products or services of an individual or organisation, mostly called the supplier or seller. This is typically through purchasing or renting goods or services. However, in certain contexts, the term customer also includes, by extension, anyone who uses or experiences the services of another. A customer may also be a viewer of the goods or services which are being sold.



### **2.3 SERVICES**

Services are deeds, processes, and performances. Zeithaml and Bitner (2006:5) define services as including all economic activities whose output is not a physical product or construction, is generally consumed at the time it is produced, and provides added value in forms (such as convenience, amusement, timeless, comfort or health) that are essentially intangible concerns of its first purchaser.

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 (Lovelock, 2005:6).

Services are produced not only by service businesses, but are also integral to the offerings of many manufactured-goods producers. Brink and Berndt (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 (2005:3) 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 (2006:941) 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.

### **2.4 CHARACTERISTICS OF SERVICES**

According to Zeithaml and Bitner (2003:20), there is general agreement that inherent differences between goods and services exist and they result in unique, or at least different, management challenges for service businesses and for manufacturers, such

as GWM service centres, that sell services as a core offering.

In order to define services clearly, many early investigations focus on finding the differences between services and consumer goods. These differences refer to the “characteristics of services”. These characteristics of services also make services different from goods as described below (Woo and Ennew, 2005:1180):

#### **2.4.1 Intangibility**

Services are performances or actions rather than objects, services cannot be seen, felt, tasted, or touched in the same manner as tangible goods. For example, technicians at GWM service centres check and fix customers’ vehicles. These services, using technology offered by the technicians, are intangible, since customers cannot see and touch. These services are an activity, an experience and not a thing (Zeithaml, Bitner and Gremler, 2006:22).

Fitzsimmons and Fitzsimmons (2006:24) state that organisations always try to make their intangible offer as tangible as possible, while many manufactures try to create an image for their products instead of focusing on the tangible aspects of their products in advertising. Services are not a particular kind of product.

#### **2.4.2 Heterogeneity**

According to Zeithaml and Bitner (2003:21), services are performances, frequently produced by humans, no two services will be precisely alike. The employees of GWM service centres delivering the service frequently are the service in the customer’s eyes and these employees may differ in their performance from day to day or even hour to hour. Heterogeneity also results because no two customers are precisely alike; each will have unique demands or experience the service in a unique way. Thus, the heterogeneity connected with services is largely the result of human interaction (between and among employees and customers) and all of the vagaries that accompany it. For example, an employee of GWM service centre may provide a different service experience to two different customers on the same day depending on

their individual needs and personalities.

Lovelock and Wright (2007:11) state that the productivity and quality of the produced goods can be controlled under fixed conditions. However, the customer, as an essential part of this whole service process, actively participates in the process of producing the service. The customer uses objective and subjective criteria to evaluate service quality. The moods and needs of the customer may lead to their different performance in similar situations. This tendency means that standardizing services is quite difficult on many occasions. The change of heterogeneity in the final output of service delivery processes will still be large. Automation can contribute to reduce the impact of people and environment on service quality (Fitzsimmons and Fitzsimmons, 2006:25).

#### **2.4.3 Simultaneous Production and Consumption**

Bruhn and Georgi (2006:16) find that whereas most goods are produced first, then sold and consumed, most services are sold first and then produced and consumed simultaneously. For example, GWM service centres cannot provide services until services have been sold, and the service experience is essentially produced and consumed at the same time.

According to Perez, Abad, Carrillo and Fernandez (2007:136), the service is produced and consumed at the same time in most service industries. This kind of personal contact is referred to as “interactive consumption” and “interactive process” in the definition of services. Service includes the physical environment, behaviour of personnel, and the customer’s mood and needs. Inseparability of the service itself from the service provider highlights the role of people in the service transaction, and their influence on quality levels. Therefore, it is difficult for the service providers to hide mistakes or quality shortfalls of the service.

#### **2.4.4 Perishability**

Perishability refers to the fact that services cannot be saved, stored, resold, or returned

(Zeithaml and Bitner, 2003:22). Services at GWM service centres cannot be reclaimed and used or resold at a later time. Bruhn and Georgi (2006:15) explain that this characteristic means that the service providers have only one way, and that is, to provide the right service the first time, every time, and the full use of service capacity. Also, this provision makes it impossible to have a quality check before the service was sent to the customers. Pricing and promotion are two of the marketing tools commonly adapted to tackle this characteristic.

## **2.5 SERVICE QUALITY**

Consumers demand quality in everything they purchase—in both goods and services. It is vital, however, to deliver a satisfactory service for customers the first time, because an unsatisfactory service cannot be recovered (Bruhn and Georgi, 2006:14).

Quality is the extent to which the service, the service process and the service organisation can satisfy the expectations of the user. All service organisations recognise the importance of service quality because it affects customer loyalty and satisfaction. Service quality also has been suggested as a means of developing a competitive advantage (Landrum, Prybutok and Zhang, 2007:104). Lovelock and Wright (2007:14) define quality as ‘the degree to which a service satisfies customers by meeting their needs, wants and expectations’. This definition means that if GWM service centres do not provide quality service, their customers may switch to other service centres who can satisfy them. This will enable GWM’s competitors to take over the market.

Brink and Berndt (2004:83) state that service quality, from the organisation’s perspective, means establishing requirements and specifications. Once established, the quality goal is based primarily on satisfying customers’ needs. From the customers’ perspective, service quality means how well the services provided by the organisation meet or exceed customer expectations.

Many authors define service quality as the satisfaction of expectations. Gronroos (2001:151) states that customer satisfaction and happiness are more strongly affected by their expectations. The term “expectation”, as used by behavioural researchers, is not as precise as the usage by mathematicians, which is ‘what is likely to happen, on average’ (Metters, King-Metters, Pullman, and Walton, 2006:69).

Service quality is a concept that has stimulated considerable interest and debate in research literature because of the difficulties in both defining and measuring it, with no consensus on either (Wisniewski and Donnelly, 2006:357-358). Asubonteng, McCleary and Swan (2006:62-65) define service quality as the extent to which a service meets customers’ needs or expectations. Service quality can thus be defined as the difference between customer expectations of service and perceived service. If expectations are greater than performance, then perceived quality is less than satisfactory and, therefore, customer dissatisfaction occurs.

Today, researchers on service quality widely accept and apply two service theories among the various service quality opinions. One is the Gronroos’ Technical and Functional Quality framework. The other is the SERVQUAL model by Parasuraman, Zeithaml and Berry (Woo and Ennew, 2005:1179).

In the 1990s, Gronroos used a two-dimension model of service quality (technical quality and functional quality) to describe and measure service quality. In this model, technical quality focused on the outcome of the service provided and functional quality took into account how the service is delivered (Perez et al., 2007:137-138). Subsequently, Gronroos (2001:150) indicated seven specific dimensions on which customers’ perceptions of service quality could be measured (professionalism and skills, reliability and trustworthiness, attitudes and behaviour, accessibility and flexibility, service recovery, serviscape, and reputation and credibility).

Zeithaml and Bitner (2003:134) suggest that customers do not perceive quality in a one-dimensional way, but rather judge quality on multiple factors relevant to the context. The SERVQUAL tool was developed by Parasuraman, Zeithaml and Berry as the instrument to collect information regarding service quality.

Outstanding service quality can give an organisation a competitive advantage which leads to superior sales and profit growth (Canning, 2005:96). Similarly, Kotler (2006:265) points out that if the perceived service of a given organisation exceeds expected service, customers are likely to use the service provider again or recommend the service provider to others. GWM service centres, as service providers, are also likely to be evaluated on a similar basis. If customers at GWM service centres view perceived service as exceeding expected service, they would possibly continue their relationship with GWM service centres.

## **2.6 CUSTOMER EXPECTATIONS OF SERVICE**

Kurtz and Clow (2007:66) define customer expectations as pretrial beliefs of a customer about the performance of a service. These beliefs are used as the standard or reference against which service performance is judged. Because customers compare their perceptions of performance with these reference points when evaluating service quality, thorough knowledge about customer expectations is critical to services' marketers. Knowing what the customer expects is the first and possibly most critical step in delivering quality service (Zeithaml and Bitner, 2003:60).

According to Zeithaml *et al.* (2006:81), the concept of expectations has been widely used in many studies about consumer behaviour. Customer expectations are critical to services marketers. Expectations will deeply influence customer behaviour. For instance, if a customer's last experience with GWM service centre was negative, the customer may approach a new situation with the expectation that the customer will again be dissatisfied.

### **2.6.1 Level of Service Expectations**

According to Metters *et al.* (2006:158), customers have different types of expectations about service. In general, researchers focus on two types of customer expectations:

The highest can be termed desired service—the level of service the customer hopes to receive, the “wished for” level of performance. Desired service is a blend of what the customer believes “can be” and “should be”. The expectation reflects the hopes and wishes of these consumers; without these hopes and wishes and the belief that they may be fulfilled, they would probably not purchase the service (Zeithaml and Bitner, 2003:62).

Kurtz and Clow (2007:69) state that customers hope to achieve their service desires but recognize that this is not always possible. The threshold level of acceptable service is called adequate service—the level of service the customer will accept. Adequate service represents the “minimum tolerable expectation”, the bottom level of performance acceptable to the customer.

Dean (2004:68) proposes that the desired service level is relatively stable but that the adequate service level moves up and down according to consumer circumstances and needs.

### **2.6.2 The Zone of Tolerance**

The nature of services makes consistent service delivery difficult across employees in the same organization and even the same service employee from one day to another. The extent to which customers are willing to accept this variation is called the zone of tolerance (Lovelock and Wirtz, 2004:72). Dean (2004:69) proposes that the zone of tolerance is based on the assumption that customers recognise and are willing to accept a degree of heterogeneity in service quality.

Zeithaml and Bitner (2003:64) maintain that the zone of tolerance, representing the difference between desired service and the level of service considered adequate, can

expand and contract within a customer. The employees of GWM service centres must understand not just the size and boundary levels for the zone of tolerance but also when and how the tolerance zone fluctuates with a given customer.

Another aspect of variability in the range of reasonable services, is that different customers possess different tolerance zones. Some customers have narrow zones of tolerance, requiring a tighter range of service from providers, whereas other customers allow a greater range of service. An individual customer's zone of tolerance increases or decreases depending on a number of factors, including company-controlled factors (Kurtz and Clow, 2007:71).

Customers' tolerance zones also vary for different service attributes or dimensions. The more important the factor, the narrower the zone of tolerance is likely to be. The fluctuation in the individual customer's zone of tolerance is more a function of changes in the adequate service level, which moves readily up and down due to situational circumstances, than in the desired service level, which tends to move upward incrementally due to accumulated experiences (Zeithaml *et al.*, 2006:87).

### **2.6.3 Factors that Influence Customer Expectation of Service**

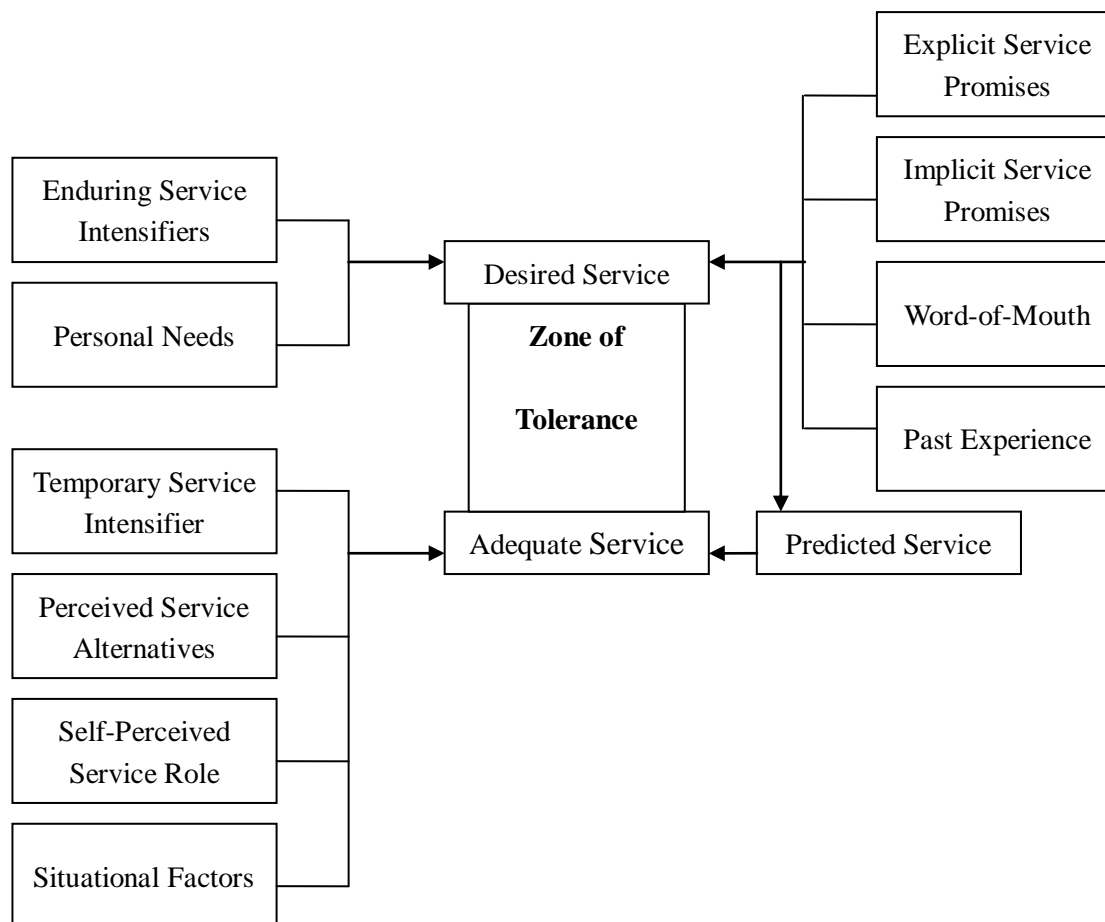
Since expectations play such a critical role in customer evaluation of services, employees of GWM service centres need and want to understand the factors that shape them. Employees of GWM service centres would also like to have control over these factors as well, but many of the forces that influence customer expectations are uncontrollable. In general, these factors are divided into three parts in terms of the levels of the service expectations such as desired service expectations, adequate service expectations, and both desired and predicted service expectations.

#### **2.6.3.1 Sources of desired service expectations**

As shown in Figure 2.1, the two largest influences on desired service level are personal needs and enduring service intensifiers.



**Figure 2.1: Factors that influence desired and predicted service**



**Source: Zeithaml *et al.* (2006:93)**

Personal needs, those states or conditions that are essential to the physical or psychological well-being of the customer, are pivotal factors that shape what customers desire in service. Personal needs can fall into many categories, including physical, social, psychological, and functional (Zeithaml and Bitner, 2003:67). Robledo (2007:28) points out that personal needs determine what is important for the customer and what is not. Each customer has different needs for each service. Therefore, this need also influences customers to judge the quality of the service, and whether or not it has satisfied their needs (Hensley and Dobie, 2005: 86).

Zeithaml and Bitner (2006:83) indicate that enduring service intensifiers are individual, stable factors that lead the customer to a heightened sensitivity to service. One of the most important of these factors can be called derived service expectations, which occur when customer expectations are driven by another person or group of people. Another enduring service intensifier is personal service philosophy—the customer’s underlying generic attitude about the meaning of service and the proper conduct of service providers.

Customers have personal philosophies about service provision, and their expectations of service providers will be intensified. Personal service philosophies and derived service expectations elevate the level of desired service (Dean, 2004:73).

#### **2.6.3.2 Source of adequate service expectations**

Kurtz and Clow (2007:81) indicate that the five factors shown in Figure 2.1 influence adequate service: (1) transitory service intensifiers, (2) perceived service alternatives, (3) customer self-perceived service role, (4) situational factors, and (5) predicted service. A different set of determinants affects adequate service, that is, the level of service the customer finds acceptable. These factors are short-term and tend to fluctuate more than the factors that influence desired service.

The first set of elements, temporary service intensifiers, consists of temporary, usually short-term, individual factors that make a customer more aware of the need for service. Personal emergency situations, in which service is urgently needed, raise the level of adequate service expectation, particularly the level of responsiveness required and considered acceptable. In some situations, where temporary service intensifiers are present, the level of adequate service will increase and the zone of tolerance will narrow (Zeithaml and Bitner, 2006:84).

According to Kurtz and Clow (2007:82), perceived service alternatives mean that

other competitors, who obtain the same service, can influence customers' choice and decision. It is important that employees of GWM service centres fully understand the complete set of options that customers view as perceived alternatives. Employees of GWM service centres must discover the alternatives that customers view as comparable, rather than those in the company's competitive set.

A third factor affecting the level of adequate service is the customer's self-perceived service role. Customers' expectations are partly shaped by how well they believe they are performing their own role in service delivery. One role of the customer is specifying the level of service expected (Robledo, 2007:32).

Gagliano and Hathcote (2004:65) report that levels of adequate service are also influenced by situational factors, defined as service performance conditions that customers view as beyond the control of the service provider. Situational factors temporarily lower the level of adequate service, thus widening the zone of tolerance.

The final factor that influences adequate service is predicted service, i.e. the level of service customers believe they are likely to get. This type of service expectation can be viewed as predictions made by customers about what is likely to happen during an impending transaction or exchange. Predicted service performance implies some objective calculation of the probability of performance or estimate of anticipated service performance level. Predicted service is typically an estimate or calculation of the service a customer will receive in an individual transaction rather than in the overall relationship with a service provider. Because predictions are about individual service encounters, they are likely to be more concrete and specific than the types of expectation levels customers hold for adequate service or desired service (Zeithaml et al., 2006:95-96).

### **2.6.3.3 Source of both desired and adequate service expectations**

Figure 2.1 shows one internal and three external factors that influence both desired

service and predicted service expectations: (1) explicit service promises, (2) implicit service promises, (3) word-of-mouth communications, and (4) past experience (Kurtz and Clow, 2007:91).

Lovelock and Wright (2007:194-195) maintain that explicit service promises are personal and nonpersonal statements about the service made by the organization to customers. The statements are personal when they are communicated by salespeople or service or repair personnel; they are nonpersonal when they come from advertising, brochures, and other written publications. Explicit service promises are one of the few influences on expectations that are completely in the control of the service provider. All types of explicit service promises have a direct effect on desired service expectation. Explicit service promises influence the levels of both desired service and predicted service. They shape what customers desire in general as well as what they predict will happen in the next service encounter from a particular service provider or in a certain service encounter.

Implicit service promises are service-related cues to customers by price and tangibles associated with the service. In general, the higher the price and the more impressive the tangibles, the more a customer will expect from the service (Rosene, 2003:54).

Word-of-mouth communication belongs to a type of informal recommendation, which is one of the most influential sources of expectations (Robledo, 2007:29). Kurtz and Clow (2007:93) state that word-of-mouth communication is the strongest source of information used by a customer in forming expectations. A customer will often seek the opinion of others before purchasing a service. Word-of-mouth communication can come from three sources: personal sources, expert sources, and derived sources.

Past experience, the customer's previous exposure to service that is relevant to the focal service, is another force in shaping predictions and desires (Zeithaml and Bitner, 2003:73). Robledo (2007:29) points out that past experience is not only important to

the customer, but also to competitors and companies of other sectors. In service quality measures, it is clear that this is the most important source, but all the others have an effect on the customer's expectations as well, especially in the absence of past experience.

#### **2.6.4 Customers' Expectations Management**

GWM service centres need to influence the customers' expectations to ensure that they are realistic and that the company can fulfill them. Some tools that can be used are promotional campaigns with suitable positioning statements, mission statements, corporate communication campaigns, service guarantees, consumer education programmes, pricing strategies and consistent and excellent service delivery (Kurtz and Clow, 2007:118).

#### **2.7 CUSTOMER PERCEPTIONS OF SERVICE**

Perceptions are defined in various ways. Strydom, Jooste and Cant (2005:84) define customer perception as the process of receiving, organising and assigning meaning to information or stimuli detected by the customer's five senses. Perceptions are also described as the end result of a number of observations by the customer.

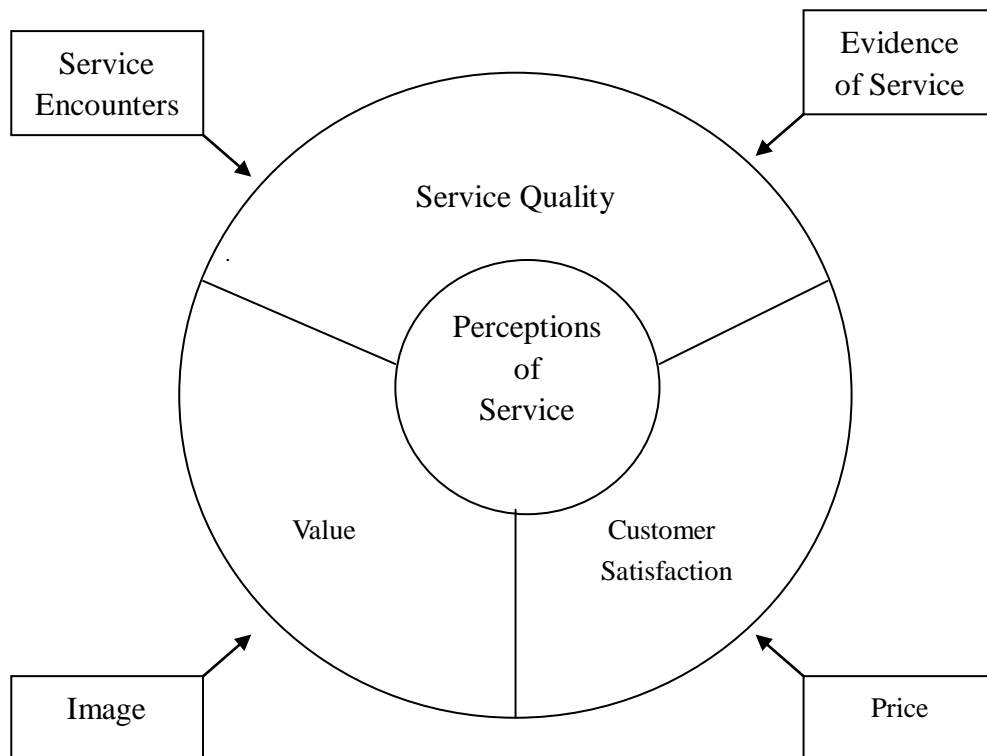
Zeithaml and Bitner (2003:84-85) describe customer perceptions as the subjective assessments of actual service experiences. This refers to how customers perceive services; how they assess the quality of received service; whether they are satisfied; and whether they have received good value. Therefore, customer perceptions of service are also defined as customer perceptions of quality, satisfaction and value. The customers' perceptions are the way that people see something based on their experience. Everyone's perception of a situation will be, at least, slightly different.

Quintana (2006) suggests that when it comes to customers, it is their perceptions of the quality of service one offers that determines success. The final measure of quality

customer service is simply how the customer perceives it. Perceptions are considered relative to expectations. Customers perceive service in terms of the quality of the service they receive and whether or not they are satisfied with their experiences.

The customers' perceptions of service quality have attracted quite extensive attention from researchers and practitioners. Perception becomes an influential factor when comparing customers' satisfaction with the service that is provided to them (Lee and Lin, 2005:168). Figure 2.2 illustrates the primary factors influencing customer perceptions of service.

**Figure 2.2: Factors influencing customer perception of service**



**Source: Zeithaml and Bitner (2006:104)**

### **2.7.1 Service Encounter**

The service encounter is at the heart of the service process. A service is produced during the service encounter where service resources and customers meet. As an encounter is a process, customers perceive it as a row of incidents and notice, especially, the significantly positive or negative critical incidents. A service encounter is defined as the situation where customer and service provider or specific resources of the service provider meet (Bruhn and Georgi, 2006:76-77).

According to Zeithaml and Bitner (2003:99-100), the customer's most vivid impression of service occurs in the service encounter or "moment of truth," when the customer interacts with the service firm. For example, service encounters experienced by a customer at GWM service centre may be making a booking, requesting information from a technician and paying the bill. It is in these encounters that customers receive a snapshot of the organisation's service quality, and each encounter contributes to the customer's overall satisfaction and willingness to do business with the organisation again. Each encounter thus presents an opportunity to prove its potential as a quality service provider and to increase customer loyalty.

Zeithaml and Bitner (2006:106) state that any encounter can be potentially critical in determining customer satisfaction and loyalty. If a customer is interacting with GWM service centres for the first time, that initial encounter will create a first impression. In these first encounter situations, the customer frequently has no other basis for judging, and the initial phone contact or face-to-face experience with a representative of GWM service centre can take on excessive importance in the customer's perceptions of quality.

When the customer has had multiple interactions with GWM service centre, each individual encounter is important in creating a composite image of GWM service

centre in the customer's memory. Many positive experiences add up to a composite image of high quality, whereas many negative interactions will have the opposite effect. On the other hand, a combination of positive and negative interactions will leave the customer feeling unsure of GWM service centre's quality, doubtful of its consistency in service delivery, and vulnerable to the appeals of competitors (Canning, 2005:156-158).

### **2.7.1.1 Type of service encounters**

According to Kurtz and Clow (2007:121), a service encounter occurs every time a customer interacts with the service organisation. There are three general types of service encounters: remote encounters, phone encounters, and face-to-face encounters.

Firstly, encounters can occur without any direct human contact (remote encounters). Remote encounters also occur when the firm sends its billing statements or communicates other types of information to customers by mail. Although there is no direct human contact in these remote encounters, each represents an opportunity for the firm to reinforce or establish quality perceptions in the customer. In remote encounters, the tangible evidence of the service and the quality of the technical processes and systems become the primary bases for judging quality (Bruhn and Georgi, 2006:77).

In many organisations, the most frequent type of encounter between an end customer and the firm occurs over the telephone (phone encounters). Almost all firms rely on phone encounters in the form of customer service, general inquiry, or order-taking functions. The judgment of quality in phone encounters is different from remote encounters because there is greater potential variability in the interaction. Tone of voice, employee knowledge, and effectiveness/efficiency in handling customer issues become important criteria for judging quality in these encounters (Zeithaml and Bitner 2003:103-104).



Zeithaml et al. (2006:95-96) offer that a third type of encounter is the one that occurs between an employee and a customer in direct contact (face-to-face encounters). Determining and understanding service quality issues in a face-to-face context is the most complex of all. Both verbal and nonverbal behaviours are important determinants of quality, as are tangible cues such as employee dress and other symbols of service (equipment, informational brochures, physical setting). In face-to-face encounters, the customer also plays a role in creating quality service for himself/herself through his/her own behaviour during the interaction.

#### **2.7.1.2 Critical incidents**

According to Bruhn and Georgi (2006:78-79), customers often do not perceive and evaluate service encounters. Because of the process-oriented and experience-oriented character of a service situation, customers often evaluate these by considering the total service based on their perception of more or less specific individual characteristics or events. These specific situations are called critical incidents. Critical incidents are specific service situations that are perceived by the customers as being especially positive or negative.

Since service interactions have a high experiential factor for the customer, the identification of critical incidents from the customers' perspective is important for designing and improving services. As a consequence, these critical incidents are important for services marketing due to customers' tendency to use single specific elements of a service provider as quality indicators. Even when a critical incident might seem to be very particular in the eyes of the service provider, this evaluation by the customer might be crucial for a firm's success (Coye, 2004:58-60).

#### **2.7.1.3 Source of pleasure and displeasure in service encounters**

Because of the importance of service encounters in building quality perceptions and ultimately influencing customer satisfaction, researchers have extensively analysed

service encounters in many contexts to determine the sources of customers' favourable and unfavourable perceptions. Four common themes have been identified as the source of customer satisfaction/dissatisfaction in memorable service encounters (Zeithaml and Bitner, 2006:108-111):

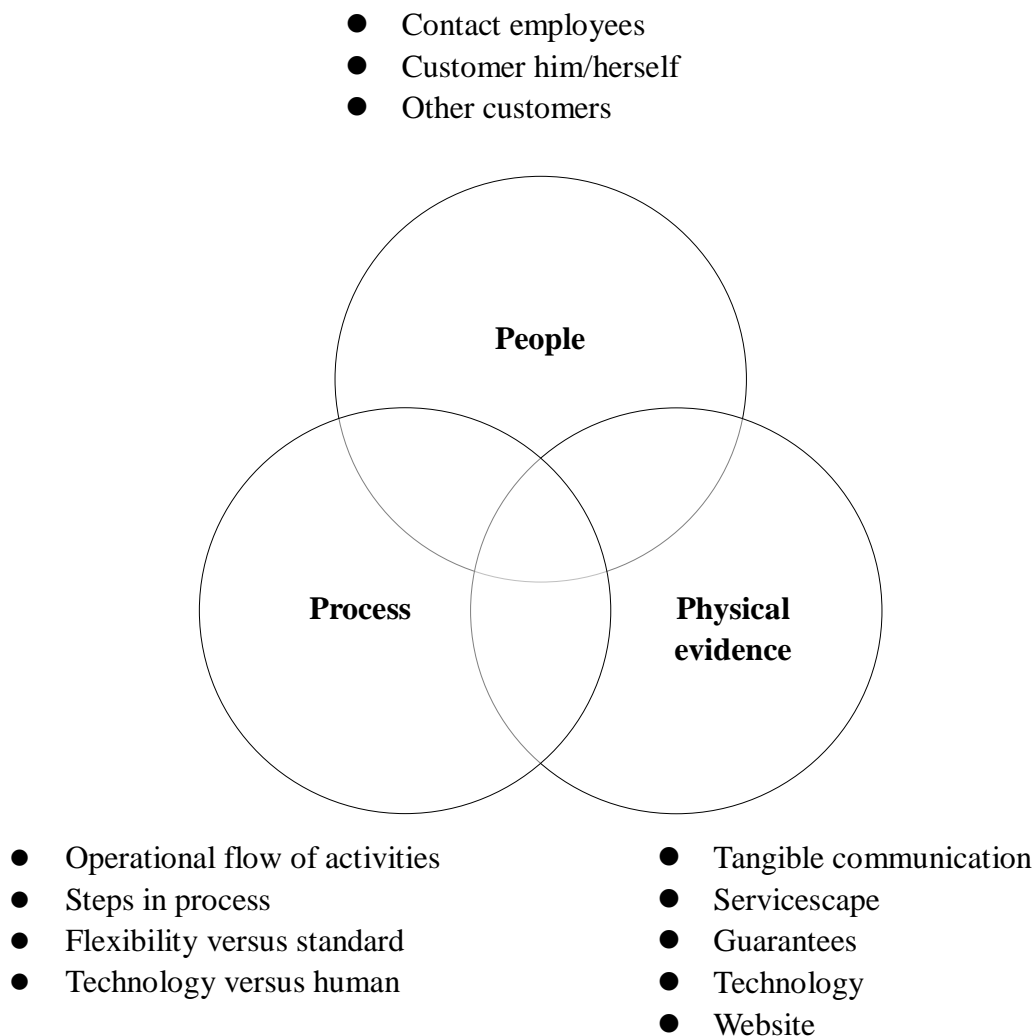
- *Recovery—Employee response to service delivery system failures* The first theme includes all incidents in which there has been a failure of the service delivery system and an employee is required to respond in some way to consumer complaints and disappointments.
- *Adaptability—Employee response to customer needs and requests* A second theme underlying satisfaction/dissatisfaction in service encounters is how adaptable the service delivery system is when the customer has special needs or requests that place demands on the process.
- *Spontaneity—Unprompted and unsolicited employee actions* Even when there is no system failure and no special request or need, customers can still remember service encounters as being very satisfying or very dissatisfying. Employee spontaneity in delivering memorably good or poor service is the third theme. Satisfying incidents in this group represent very pleasant surprises for the customer, whereas dissatisfying incidents in this group represent negative and unacceptable employee behaviours.
- *Coping—Employee response to problem customers* The incidents categorised in this group came to light when employees were asked to describe service encounter incidents in which customers were either very satisfied or dissatisfied. In addition to describing incidents of the types outlined under the first three themes, employees described many incidents in which customers were the cause of their own dissatisfaction.

### **2.7.2 The Evidence of Service**

According to Zeithaml and Bitner (2003:110-111), because services are intangible, customers are searching for evidence of service in every interaction they have with an organisation. Figure 2.3 depicts the three major categories of evidence as experienced

by the customer: people, process, and physical evidence. All of these evidence elements, or a subset of them, are present in every service encounter a customer has with a service firm and are critically important in managing the service encounter quality and creating customer satisfaction. The three types of evidence may be differentially important depending on the type of service encounter. All three types will operate in face-to-face service encounters.

**Figure 2.3: The evidence of service**



**Source: Zeithaml and Bitner (2003:110)**

### **2.7.3 Image**

An important element in the purchase decision of services is the image consumers have of the firm. Firm image is the overall or global opinion customers have of a firm or organisation. Consumers will tend to patronise firms which they perceive to have a high image or an image that is consistent with the expectations of the customer. Personal experience, word-of-mouth communications from others, and advertising all have an impact on the image that consumers have of a firm (Kurtz and Clow, 2007:24).

Zeithaml and Bitner (2006:114-115) state that beyond impressions from the immediate service encounters and evaluations of service evidence, organisational image, as perceptions of an organization, are reflected in the associations held in consumer memory. These associations can be very concrete, such as hours of operation, length of time in business, and ease of access. Or they can be less concrete and even emotional, such as excitement, trustworthiness, tradition, ingenuity, fun, reliability. The associations can relate to the service experience itself, the company, or the user of the service. Organisational image can exist on several levels. A large service organisation with multiple outlets or branches has a corporate image. However, it also has a local image that is closely associated with a specific location.

Zeithaml et al. (2006:154) suggest that organisational image serves as a filter that influences customer perceptions of the service organisation's operations. A very positive image will serve as a buffer against incidents of poor service. In other words, if a customer has very positive overall image of the organisation, one bad experience will likely not be fatal. However, further bad experiences will erode the positive image, removing its protection. This filtering function of organisational image can work in the opposite way as well. When consumers have an unfavourable image of an organization, they are likely to be very angry and dissatisfied when things go wrong. Furthermore, it will likely take multiple good experiences to begin changing the overall poor image.

GWM service centres must learn to manage their corporate image as they would with other aspects of the marketing mix. Once a good image is damaged, it is difficult to restore. Not only will dissatisfied customers not return, they will usually tell others about their negative experience. A favourable and well-known image is an asset for GWM service centres because image can impact on perceptions of quality, value, and satisfaction (Hensley and Sulek, 2007:164).

#### **2.7.4 Price**

Kangis and Passa (2007:108) report that price may enter into the determination of consumers' choice in two ways: as an indicator of cost and as an indicator of quality. The quality and price relationship might be product-specific and possibly weak, even though consumers seek to maintain a balance (consonance) between their cognitive structures and their perception of the real world. Price sets expectations for the quality of service, particularly when other cues to quality are not available.

According to Lovelock and Wright (2007:127), the price of the service can greatly influence perceptions of quality, satisfaction, and value. Since services are intangible and often difficult to judge before purchase, price is frequently relied on as a surrogate indicator that will influence quality expectations and perceptions. If the prices at GWM service centres are very high, customers are likely to expect high quality, and their actual perceptions will be influenced by this expectation. If the prices at GWM service centres are too low, customers may doubt their ability to delivery quality. The price charged will also figure greatly into customers' perceptions of value, particularly following consumption of the service when customers assess whether the benefits they received were worth the cost of the service. Thus, price is an important variable in determining customer expectations and perceptions of service.

#### **2.7.5 Service Quality Dimensions**

Over the past two decades, numerous researchers attempted to create models for measuring service quality for survival and success of service companies. One of the

most influential models is the SERVQUAL (SERVices QUALity) measure (DeMoranville and Bienstock, 2003: 220). Zeithaml and Bitner (2003:134) suggest that customers do not perceive quality in a one-dimensional way, but rather judge quality on multiple factors relevant to the context. The SERVQUAL tool was developed by Parasuraman, Zeithaml and Berry (1985) as the instrument to collect information regarding service quality.

The key to delivering quality service is to identify and understand what dimensions of quality are important to customers. The scale of Zeithaml, Parasuraman and Malhotra (2002:364-365) involves expectations-perceptions gap scores along five dimensions: Tangibles, Reliability, Responsiveness, Assurance and Empathy. In these surveys, regardless of the type of service, customers respond to services by answering questions based on a number of key service dimensions. These dimensions fall into 10 key categories: Tangibles, Reliability, Responsiveness, Competence, Courtesy, Credibility, Feel secure, Access, Communication and Understanding the customer.

The SERVQUAL instrument has been the predominant method used to measure consumers' perceptions of service quality. This instrument has five generic dimensions or factors:

- **Tangibles:** The appearance of physical facilities, equipment, personnel and communication materials;
- **Reliability:** Ability to perform the promised service dependably and accurately;
- **Responsiveness:** Willingness to help customers and provide prompt service;
- **Assurance:** Knowledge and courtesy of employees and their ability to inspire trust and confidence; and
- **Empathy:** Caring individualized attention that the firm provides its customers.

(Van Iwaarden, Van der Wiele, Ball and Millen, 2003: 919-935)

Table 2.1 refers to the original ten-service quality dimensions

**Table 2.1: Original ten-service quality dimensions**

<b>Service Quality Dimension</b>	<b>Definition</b>
Tangibles	Physical evidence of the service
Reliability	Involves consistency of performance
Responsiveness	Willingness or readiness of employees to provide service (timeliness of service, giving prompt service)
Competence	Possession of the required skills and knowledge to perform the service
Courtesy	Politeness, respect, consideration and friendliness of contact personnel
Credibility	Trustworthiness, believability, honesty, and having the customers' best interests at heart
Security	Freedom from danger, risk and doubt
Access	Approachability and ease of contact
Communication	Keeping customers informed in a language they can understand
Understanding the customer	Making the effort to understand the customers' needs

**Source: Chowdhary and Prakash (2007:498-501)**

### **2.7.5.1 Tangibles—Representing the service physically**

Zeithaml and Bitner (2003:98) define tangibles as the appearance of physical facilities, equipment, personnel, and communication material. Tangibles provide physical representations of the service that customers use to evaluate quality. Although tangibles are often used by service companies to enhance their image, provide continuity and signal quality to customers, most service companies combine tangibles with another dimension to create a service quality strategy. The policy and terms of

sale should be printed correctly, legibly and in a language that can be easily understood by the customer. Similarly, materials associated with GWM service centres' services such as pamphlets, brochures, and newsletters should have useful information and be visually appealing. The employees' appearance should be neat and they should be courteous. GWM service centres should have modern equipment and technology to keep records of customers' orders and accounts efficiently.

#### **2.7.5.2 Reliability—Delivering on promises**

Fitzsimmons and Fitzsimmons (2006:129) describe reliability as the ability to perform the promised service both dependably and accurately. Reliable service performance is a customer expectation and means that the service is accomplished on time, in the same manner, and without errors every time. Customers want to do business with organizations that keep their promises. Similarly, all service providers need to be aware of customers' expectations of reliability. Examples of reliability will be customers receiving services from GWM service centre at the time it was promised to them, GWM service centre showing sincere interest in solving customers' problems as they arise, performing services to customers correctly the first time and insisting on error-free records in terms of administration at GWM service centre.

Bebko (2000: 11-12) states that reliability is a key dimension that customers can use to evaluate the quality between what they received and what the provider promised during the delivery process (e.g. service provision, problem resolution, and pricing). All firms need to be aware of customer expectations of reliability.

#### **2.7.5.3 Responsiveness—Being willing to help**

Responsiveness is defined as willingness to help customers respond to their requests and provide prompt service. This dimension underlines the attentiveness and promptness in dealing with customers' requests, complaints and problems. Responsiveness is manifested in the time period that customers have to wait for assistance, answers to inquiries or attention to problems, as well as the flexibility and



ability to customise the service to the customers' needs (Zeithaml *et al.*, 2006:118).

In order to excel on the responsiveness dimension, as suggested by Zeithaml and Bitner (2003:98), GWM service centres should have knowledgeable customer service departments, with responsive front-line staff in all contact positions, as customers' perceptions on responsiveness may diminish when they wait to get through a company by telephone, and are put on hold or put through a complex automated voice mail system. This dimension demands that the service providers of GWM service centres should be more flexible in solving their customers' problems and requests. GWM service centres should have the capacity to customise services for dealing with their customers' special needs.

#### **2.7.5.4 Assurance—Inspiring trust and confidence**

Arasli, Mehtap-Smadi and Katircioglu, (2005: 45) identify assurance and an employee's knowledge, courtesy and ability to inspire trust and confidence in the customer as a critical aspect of importance for services in which customers face a high level of risk or feel uncertain about their ability to evaluate outcomes. Fitzsimmons and Fitzsimmons (2006:129) explain that the assurance dimension includes the following features: competence to perform the service, politeness and respect for the customer, effective communication with the customer, and the general attitude that the server has the customer's best interests at heart.

Zeithaml *et al.* (2006:120) state that trust and confidence can be enhanced by the person who links the customer to the company. The company tries to build trust between key people in the organisation, such as customer service representatives and customers. Trust and confidence can also be represented by the organisation itself. Thus, firms make efforts to build trusting relationships between customers and the company as a whole. Examples of assurance can be the behaviour of employees at GWM service centre who should instil confidence in these customers, customers should feel safe in their transactions with GWM service centre, employees of GWM

service centre should be courteous with customers as well as have the knowledge to answer customers' questions.

#### **2.7.5.5 Empathy—Treating customers as individuals**

Empathy is defined as the caring, individualized attention a firm provides its customers. Empathy includes the following features: approachability, sensitivity, and effort to understand the customer's needs (Zeithaml and Bitner, 2003:193). Staff at GWM service centres should understand customers' problems, perform in their best interests, as well as provide customers with individual personal attention and have convenient operating hours. They should also give customers personal attention and understand the specific needs of their customers.

#### **2.7.6 Customer Satisfaction**

Hensley and Sulek (2007:156) define satisfaction as the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment. Satisfaction is the customers' evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Failure to meet needs and expectations is assumed to result in dissatisfaction with the product or service (Gilbert and Veloutsou, 2006:295).

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 fulfillment. Within the concept labelled satisfaction, there are many satisfaction states, for instance, contentment, surprise, pleasure and relief. Satisfaction must incorporate both the needs and the desires of the consumer (Rust, Zahorik and Keiningham, 2005:55). Vukmir (2006:16) reports that, in addition to a sense of fulfillment in the knowledge that one's needs have been met, satisfaction can also be related to other types of feelings, depending on the particular context or type of service.

Lovelock and Wright (2007:86-87) note that satisfaction is a dynamic, moving target that may evolve over time, influenced by a variety of factors. Particularly when product usage or the service experience takes place over time, satisfaction may be highly variable depending on which point in the usage or experience cycle one is focusing. Similarly, in the case of very new services or a service not previously experienced, customer expectations may be barely forming at the point of initial purchase; these expectations will solidify as the process unfolds and the consumer begins to form his or her perceptions. Through the service cycle, the encounter may have a variety of different experiences—some good, some not good—and each will ultimately impact on satisfaction.

#### **2.7.6.1 Types of customer satisfaction**

Gilbert and Veloutsou (2006:302) report that two distinct “types” of consumer satisfaction exists – the transaction specific and overall satisfaction. Transaction specific satisfaction is related to a specific encounter with the organisation, whereas overall satisfaction is a cumulative construct summing satisfaction with specific products or services of the organisation with various other facets of the company. The overall rating resembles a more general attitude the customer has toward the specific products or services provided by the organisation. It is more like a stored evaluation in one's memory than an on-the-spot evaluation. Such an overall impression is relatively stable over time and less sensitive to question order effects or other transaction specific reactions on the part of the customer.

#### **2.7.6.2 Customer satisfaction determinants**

Customer satisfaction is influenced by specific product or service features and perceptions of quality. Satisfaction is also influenced by customers' emotional responses, their attributions, and their perceptions of equity (Zeithaml and Bitner ,2003:87-89):

- *Product and service feature* Customer satisfaction with a service or product is influenced significantly by the customers' evaluation of product or service

features. For a service provider such as a GWM service centre, important features to the customers may include service centre's facilities, helpfulness and courtesy of staff, price, and so forth. In conducting satisfaction studies, most firms will determine, through some means, what the important features and attributes are for their service and then measure perceptions of those features as well as overall service satisfaction.

- *Consumer emotions* Customers' emotions can also affect their perceptions of satisfaction with products or services. These emotions can be stable, pre-existing emotions. Specific emotions may also be induced by the consumption experience, which, in itself, may influence a consumer's satisfaction with the service. For example, the manner in which GWM service centre delivers the service to customers could possibly influence customers' overall satisfaction. Positive emotions such as happiness, pleasure, elation, and a sense of warm-heartedness enhance customers' satisfaction. In turn, negative emotions such as sadness, sorrow, regret, and anger lead to diminished customer satisfaction.
- *Attributions for service success or failure* Attributions are the perceived causes of events that influence perceptions of satisfaction as well. When consumers have been surprised by an outcome, they tend to look for the reasons, and their assessments of the reasons can influence their satisfaction. For example, if GWM service centre fails to repair their customer's vehicle, the customer will likely search for the causes before determining his or her level of satisfaction or dissatisfaction with GWM service centre.
- *Perceptions of equity or fairness* Customer satisfaction is also influenced by perceptions of equity and fairness. Notions of fairness are central to customers' perceptions of satisfaction with products and services. For example, customers at GWM service centre may develop feelings of dissatisfaction with service provision if they perceive they are not getting good value for money.
- *Other consumers, family members, and co-workers* In addition to product and service features and one's own individual feeling and beliefs, consumer satisfaction is often influenced by other people. For example, the satisfaction of

customers at GWM service centre is not only influenced by individual perceptions, but is also greatly influenced by the experiences, behaviour, and views of other customers.

### **2.7.6.3 Measuring customer satisfaction**

According to Hensley and Sulek (2007:161), customer satisfaction measurement is a post-consumption assessment by the user about the product or service gained. Also, there is a general agreement that the closer the assessment is to the actual service encounter, the more accurate the assessment of the service quality, itself. Attributes that are experienced closer to the time of the customer's final evaluation tend to influence the customers' overall ratings more than those attributes that were more distant in time between the service encounter and the customer's rating. Customer satisfaction measurement is a complex construct, and the use of multi-item scales is preferred. Such scales provide greater insight about consumer satisfaction from the perspective of the consumer than is possible from a single-item measure. Multi-item measures can provide empirically-based levels of scale reliability that are not possible with a single-item measure. Therefore, multi-item measures, describing various aspects from which consumer satisfaction may be derived, are preferred in order to help explain the construct of service satisfaction in a valid way.

A tool of particular note is the Customer Satisfaction Index (CSI), which is widely used in the USA (ACSI) and Europe (ECSI). It has been extensively applied. The CSI scores pertaining to customer satisfaction function as intangible economic indicators, and are used to monitor the financial viability of companies, industries and international trade unions. They serve as gross assessments of the viability of large economic blocs in the USA and Europe (Gilbert and Veloutsou, 2006:304)).

### **2.7.7 Perceived Value**

According to Zeithaml and Bitner (2006:124), value is the consumer's overall assessment of the utility of a product based on perceptions of what is received and

what is given. In addition to judging products and services on the basis of quality and satisfaction, customers also evaluate them according to their perceived value. Value is intimately tied to customer perceptions of benefits received versus cost in terms of dollars, time, and effort. A customer may perceive that an organisation offers good quality, and may be satisfied with his/her experiences with the organisation, but the customer may perceive that value isn't there in terms of cost-benefit trade-offs. For example, a customer may feel that employees of GWM service centre offer excellent quality service, and the customer may be satisfied with his/her multiple experiences with employees of GWM service centre.

## **2.8 GAP MODEL OF SERVICE QUALITY**

Service quality is a function of the expectations-performance gap and was conducted in a broad-based exploratory study in the early 1980s. Today, their results extend into e-SQ or electronic service quality (Zeithaml, Parasuraman and Malhotra, 2001). They study a number of industries to develop and refine SERVQUAL, which is a technique that can be used for executing a gap analysis of GWM service centres' service quality performance against customer service quality needs. The model is also commonly known as the Gap Model.

The SERVQUAL model focuses on the difficulty in ensuring a high quality of service for all customers in all situations. Specifically, it labels gaps where a shortfall between expectation of service level and perception of actual service delivery may occur (Bruhn and Georgi, 2006:50-51).

The service quality gap model conceptualises perceived service quality as the "service quality gap", which is the difference between expectation of service quality from an "excellent" service provider and the perception of service quality from the current service provider (Mukherjee and Nath, 2005: 175).

It is argued by Lovelock and Wirtz (2004: 424) that if management accepts the view

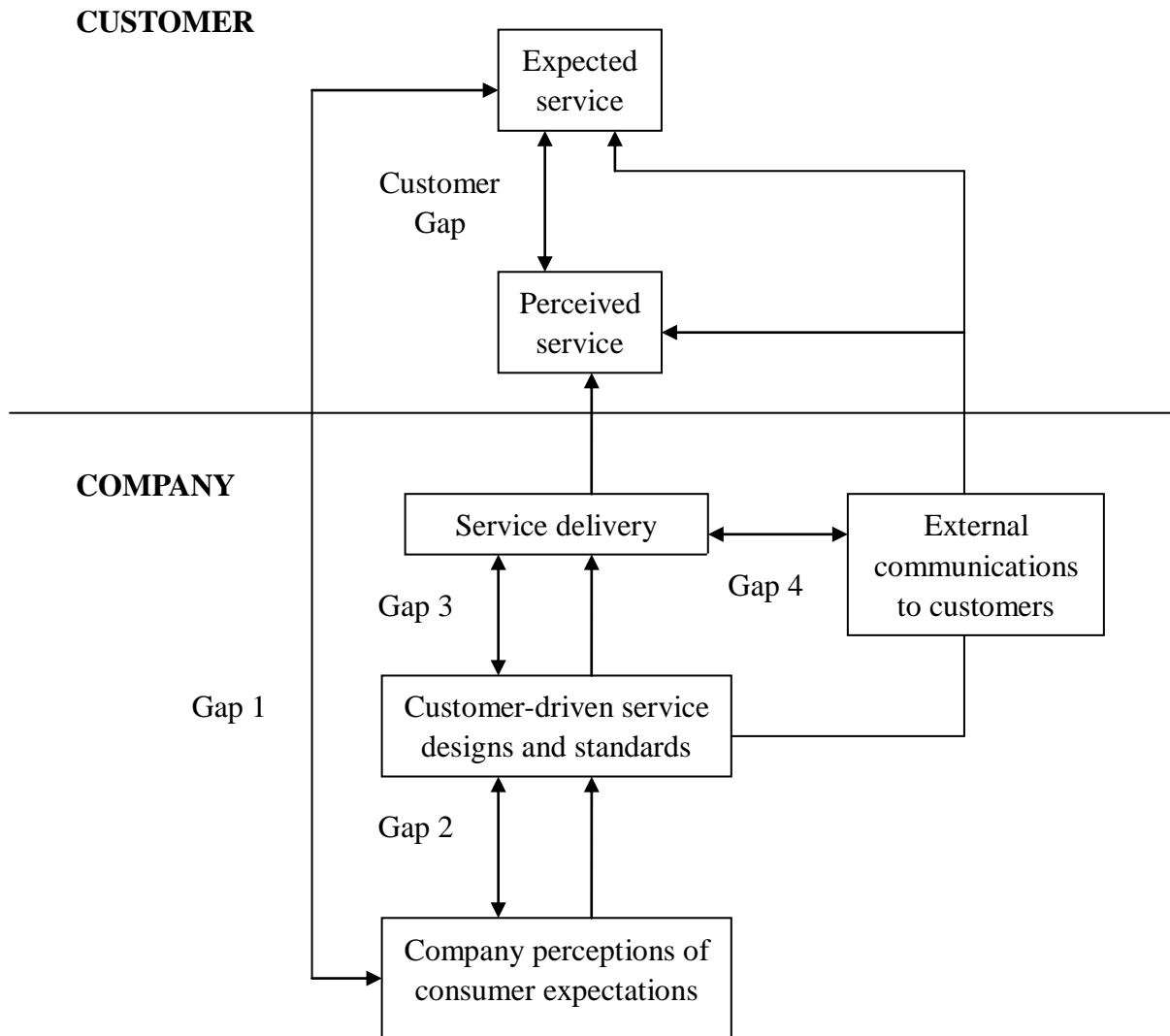
that quality means consistently meeting or exceeding customers' expectations and perceptions, then the manager's task is to balance customer expectations and perceptions and close any gaps between the two. The gap-model conceptualises service quality as a comparison between customers' expectations and perceptions – the “disconfirmation paradigm” for measurement, which is the predominant model in the field of quality and customer satisfaction literature (Skalen and Fougere, 2007: 110).

The Gap Model is the most important technology in the field of customer-perceived service quality. The service quality survey, using the SERVQUAL model, will assist GWM service centres' management to identify the organisation's service strengths and weaknesses (GAP). Therefore, it is necessary to use the Gap model. Parasuraman, Zeithaml, and Berry developed the Gap model, which shows how various gaps in the service process may affect customers' assessment of the service quality. This conceptual model of service quality was later developed to “The Gap Model of service quality” (Zeithaml *et al.*, 2006: 33-46).

Five major causes of service quality shortfalls have been identified by Zeithaml, Parasuraman and Berry (1985). As Figure 2.4 shows, these are called the Five Gaps.

- **Gap 1:** Between customers' expectations and management's understanding.
- **Gap 2:** Between management's perception of customers' expectations and service quality specifications.
- **Gap 3:** Between service quality specifications and service delivery.
- **Gap 4:** Between service delivery and external communications to customers about service delivery.
- **Gap 5 (customer gap):** Between customers' expectations and perceived service.

**Figure 2.4: Gap model of service quality**



**Source: Kurtz and Clow (2007:111)**

Murphy (2003:131) states that the five Gaps between service aspiration and service reality are pointers to management oversight of the process. If nothing is falling through any of these gaps, then GWM service centres have a perfect service system.



Since SERVQUAL results can be used to identify which components of a service are good or bad at GWM service centres, the instrument can be used to monitor service quality over time, to compare performance with its competitors, or to measure customer satisfaction within a particular service industry generally. An organisation or industry can use the information collected through SERVQUAL to improve its position and meet customers' expectations continuously. Additionally, the expectations-perceptions results, along with the demographic data, may facilitate effectiveness among different customers (Zeithaml and Bitner, 2003:102).

### **2.8.1 Gap 1: Not Knowing what Customers Expect**

Zeithaml and Bitner (2003:532) state that Gap 1 is the difference between customer expectations of service and the company understanding of those expectations. This gap occurs when management does not interact directly with customers, or is unwilling to ask about their expectations. Gap 1 could have several causes, such as insufficient use of market research, insufficient upward communication between contact employees and management and too many layers between contact employees. For example, management at GWM service centres may not understand what their customers' expectations are because they do not interact directly with the customers or they do not take suggestions from staff that do interact with customers and have an understanding of customers' expectations.

The reverse situation can also occur. Management can provide a service they think customers expect when customers do not expect it. Although, on the surface, this sounds good because customer expectations will probably be exceeded, there are two dangers. Firstly, if consumer expectations are consistently exceeded, in time, these expectations will rise to meet the service being provided. The second danger is that the firm may be spending money on providing services that customers do not expect, thus yielding a negative impact on profit (Kurtz and Clow, 2007:110-111).

Zeithaml *et al.* (2006: 544-545) show the key factors responsible for Gap 1:

- An inadequate marketing research orientation is one of the critical factors. When management or empowered employees do not acquire accurate information about customers' expectations, Gap 1 is large. Formal and informal methods to capture information about customer expectations must be developed through marketing research.
- Another key factor that is related to Gap 1 is the lack of upward communication. Front-line employees often know a great deal about customers; if management is not in contact with front-line employees and do not understand what they know, the gap widens.
- Also related to Gap 1 is the lack of company strategies to retain customers and strengthen relationships with them, an approach called relationship marketing. When organisations have strong relationships with existing customers, Gap 1 is less likely to occur. Relationship marketing is distinct from transactional marketing, the term used to describe the more conventional emphasis on acquiring new customers rather than on retaining them.
- The final key factor associated with Gap 1 is lack of service recovery. Even the best companies, with the best of intentions and clear understanding of their customers' expectations, sometimes fail.

GWM service centres have four strategies available to them to reduce the size of Gap 1:

- By talking to customers, management will learn what they expect in terms of service quality and how they feel about the service they have received;
- To ensure open, honest communication, GWM service centres can use marketing research. The research can be performed by third parties or, in the case of a large corporation by the marketing department. To be effective, the marketing research must focus on service quality issues and consumer expectations of the service;
- For GWM service centres, where management is separated from the customer contact personnel, upward communication is vital in reducing the size of Gap 1. Service contact personnel must be encouraged to communicate with management

in an open, non-threatening environment. To be effective, upward communication must be requested by top management. Ideas for improvement should not only be sought from service contact personnel, but employees should be rewarded for productive ideas; and

- As the layers of management increase, the chances of management having a correct understanding of what customers want in terms of service quality will decrease. GWM service centres, therefore, should seek meaning to reduce the number of management layers.

### **2.8.2 Gap 2: Not Having the Right Service Quality Designs and Standards**

According to Kotler and Keller (2006: 412), Gap 2 is between management perception and service quality specification – Management might correctly perceive customers' wants but may not set a performance standard. For example, management at a GWM service centre may develop a quality assurance program that is designed to meet customer expectation regarding programs and qualifications on offer.

There are various factors that influence this gap. Metters *et al.* (2006: 187) summarise three main factors which make a service more tangible and intelligible:

- First, the service provider is short of a formal quality programme to define the quality of services;
- Second, management may focus more on cost reduction and short-term profit than on customer requirements; and
- Third, physical evidence and the servicescape, which are critical factors, that affect customers' perceptions of service quality, cannot meet customer and employee needs.

Kurtz and Clow (2007:114-115) state that, to reduce the size of Gap 2, GWM service centres must have the commitment of top management. Many mission statements have references to GWM service centre being committed to providing customers with a high level of service quality. Reduction of this gap requires setting service quality

goals. These goals must be set with the customer, the service contact provider, and management in mind. Customer contact employees must understand management's perspective and the need to generate a profit. Task standardisation will reduce the size of Gap 2. Standardisation can be done through hard technology, which is substituting machines or computers for people, or soft technology, which is improving work methods. Both methods are designed to standardise the operation and provide a uniform delivery of the service to customers, reducing the gap between management perception of consumer expectations and the translation of those expectations into service quality specifications.

### **2.8.3 Gap 3: Not Delivering to Service Standards**

Silvestro (2005: 218) indicates that Gap 3 is the difference between actual service quality and service standards by service providers. Since most services are performed by people, the quality of service is highly dependent upon how well the service providers perform their job. If employees of GWM service centres provide service as specified, customers are usually satisfied and their expectations are met.

Zeithaml and Bitner (2003:536-537) identify the following critical factors that influence Gap 3:

- These factors all relate to the company's human resource function, involving internal practices such as recruitment, training, feedback, job design, motivation, and organisational structure;
- Most service companies face an even more formidable task: attaining service excellence and consistency in the presence of intermediaries who represent them and interact with their customers. Among the intermediaries that play a central role in service delivery are retailers, franchisees, and dealers;
- The other important variable is the customer. If customers do not perform their roles appropriately, service quality is jeopardized; and
- Another issue in Gap 3 is the service firms' inability to synchronise demand and capacity since services are perishable and cannot be inventoried. Lacking

inventories to handle overdemand, companies lose sales when capacity is inadequate to handle customer needs.

Kurtz and Clow (2007:117-118) suggest the following seven strategies to reduce the size of Gap 3 for GWM service centres:

- A common characteristic of successful service companies is teamwork. A feeling of teamwork is created when employees see other employees and management as key members of the team. There must be a spirit of cooperation, not competition, among employees. This spirit is achieved when every employee is involved and committed to providing a high level of service to customers, to the company, and to other employees;
- If employees are to provide the services according to the job specifications, there must be a fit between employee skills and job requirements. Thus, GWM service centres must hire individuals who have the ability to perform the job;
- To perform the job according to company standards, employees of GWM service centres must have the proper equipment. The equipment needs to be in good condition and the employees must have knowledge of how to properly use the technology to enhance the quality of their work;
- When employees of GWM service centres are allowed some flexibility and control in the service process, morale is enhanced, and there is a greater desire to perform the service properly. Flexibility and control will also allow these employees to modify the process to meet the particular needs and desires of the customers;
- The supervisory control system has an impact on the size of this gap. If employees of GWM service centres are encouraged and rewarded for meeting job specifications, the likelihood of employees doing the job according to the specifications increases;
- Role conflict is inherent in many service contact positions. To reduce role conflict, management at GWM service centres should allow service contact personnel adequate flexibility to meet customer needs. Employees of GWM service centres need to have some control over the service encounter; and

- The last strategy in reducing the size of Gap 3 is reducing role ambiguity. Role ambiguity refers to employees' lack of information or understanding of their role and job requirements.

#### **2.8.4 Gap 4: When Promises do not Match Performance**

Lovelock and Wirtz (2004: 364) define Gap 4 as the difference between service delivery and the service provider's external communications. Promises made by a service company through its media advertising, sales force and other communications may raise customer expectations that serve as the standard against which customers assess service quality. Employees at GWM service centres should not promise service that they cannot deliver. If GWM service centre employees over-promise and are not able to deliver on such promises, customers form a negative perception of service quality at GWM service centres.

The four main reasons for Gap 4 as proposed by Zeithaml *et al.* (2006: 43), are:

- First, the internal and external communications are not effectively integrated into the service delivery by the service provider;
- Second, the customers' expectations are not effectively employed and managed by management;
- Third, the service providers often deliver over promise for keeping competitive advantage during the company's external communications process; and
- Fourth, horizontal communication between those responsible for the company's external communications and the front office employees is ineffective.

Kurtz and Clow (2007:119-120) indicate that to reduce the size of Gap 4, GWM service centres must address two issues: horizontal communications and propensity to over-promise.

- Service contact people should have input in GWM service centres' advertising and promotional plans. This input will ensure that messages conveyed to the prospective customers can be operationally performed. The reverse is also true;

service personnel should be informed prior to an advertising or promotional campaign. Knowing what customers will be told about the service will help service staff perform the correct service.

- There must be communication between the salespeople and the personnel performing the service. Salespeople will often make promises to prospective customers to gain contracts. If promises are made, the operations department needs to be aware of it so they can ensure the promises will be delivered. The tendency to over-promise increases with pressure to achieve greater profits or to meet competitive claims.

### **2.8.5 Gap 5: The Customer Gap**

Gap 5 is between perceived service and expected service – This gap occurs when the customer misperceives the service quality. Gap 5 is indicated as the main gap, where customers' expectations of a service provided are compared with their perceptions of that service (Kotler and Keller, 2006:413).

Gronroos (2000: 105) argues that Gap 5 should be negative, it could indicate a quality problem, which would attract bad word-of-mouth recommendation, have a negative impact on the corporate image and result in a loss of business for the company. A positive gap leads to either positively confirmed quality or over quality.

Parasuraman *et al.* (1985) state that Gap 5 is the sum total of the preceding four gaps. Thus, if management wants to close the gap between performance and expectations, it becomes important to design procedures for measuring service performance against expectations. While the other gaps play an important role in the delivery of quality service, it is Gap 5 which ultimately must be closed if an organization is to succeed in the long-run. To be able to deliver excellent service quality and close the customer gap, it is necessary to close four internal gaps which are between service providers and their customers (Silvestro, 2005: 217-218).

## **2.9 SERVICE DELIVERY SYSTEM**

Bruhn and Georgi (2006:226) state that service delivery has generally been defined as ‘the process of making a product or service available for consumption or use’.

The service delivery system is a key of the whole service system at GWM service centres. Bebko (2000:9-10) indicates that the service delivery system includes not only the tangible elements of the service operating system, i.e., employees and the physical facilities of GWM service centres, but also includes exposure to other customers.

Service delivery is concerned with whether the service product is provided to the customer at the right place and time. Lovelock and Wright (2007: 265-266) state that a good service delivery system should be a continuing self-correcting system by comparing and measuring the results of the service quality.

### **2.9.1 The Role of Service Employees in Service Delivery**

Many services are delivered by people to people in real time, thus, closing the service performance gap is heavily dependent on human resource strategies. Often, service employees of GWM service centres are the service, and, in all cases, they represent GWM service centres in customers’ eyes. They affect service quality perceptions to a large degree through their influence on the five dimensions of service quality. It is essential to match what the customer wants and needs with service employees’ abilities to deliver (Zeithaml and Bitner, 2003:344).

The role of service employees is quite important to service operators in any service delivery process, because service employees can directly influence the following five dimensions of service quality (Lovelock and Wright, 2007: 324):

- The appearance and dress of employees display the tangible dimension of service



quality;

- Service employees can totally control the reliability dimension of service quality, as they present and deliver the corresponding service in terms of service promise;
- Frontline employees directly show the reliability dimension of service quality by offering their personal willingness to help customers;
- The assurance dimension of service quality is due to the behaviours of employees in communicating their credibility and instilling trust in the customers; and
- Empathy implies that employees will provide individualised attention to help customers.

Therefore, service organisations should focus their attention on the vital role of service employees and develop strategies to solve human resources issues for the effective customer-oriented service and closing the service delivery gap (Liden, 2003: 339). Zeithaml *et al.* (2006: 366) suggest four strategies, namely, hiring and recruiting the right people, training and developing people to deliver service quality, providing the needed support system, and retaining the best people, respectively.

### **2.9.2 The Role of the Customer in Service Delivery**

Murphy (2003:182) indicates that the customer receiving the service and the other customers in the service environment can all potentially cause a widening of Gap 3, if they fail to perform their roles effectively. A number of reasons for widening the service delivery gap are suggested: customers lack an understanding of their roles; customers are unwilling or unable to perform their roles; customers are not rewarded for good performance; other customers interfere; or market segments are incompatible.

Bitner, Faranda, Hubbert, and Zeithaml (2007:198) state that the role of customers can play in services delivery is that of contributors to their own satisfaction and the ultimate quality of the services they receive. Effective customer participation can increase the

likelihood that needs are met and that the benefits the customer is seeking are actually attained. In addition to contributing to their own satisfaction by improving the quality of service delivered to them, some customers, simply enjoy participating in service delivery.

According to Hsieh, Yen, and Chin (2004: 192), customers, participating in the service delivery process, will share different service provider workloads according to customers' ability and motivation. Since service customers must participate in service delivery, they frequently blame themselves (at least partially) when things go wrong. If customers believe they are partially (or totally) to blame for the failure, they will be less dissatisfied with the service provider than when they believe the provider is responsible and could have avoided the problem.

Therefore, customer participation in the service process can impact on an organisation's productivity, its service quality, and its customers' satisfaction. When customers fail to perform their role effectively, they can widen the service delivery gap. For example, customers lack understating of their roles; customers are unwilling or unable to perform their role; customers are not rewarded for good performance; other customers interfere; or market segments are incompatible (Fitzsimmons and Fitzsimmons, 2006: 150).

### **2.9.3 Timing of Service Delivery**

Time aspects regarding service delivery are the length of service delivery, the time flexibility, the permanence of service availability and the time-lag between order and delivery (Bruhn and Georgi, 2006:241-245):

- The length of service delivery is dependent upon various criteria. The customer's specific needs determine the length of service delivery. The customer or external factor also affects the service delivery length via the complexity of the customer problem. Furthermore, other service characteristics have an influence on the length of a service;

- A further time aspect of service delivery is the customer's flexibility regarding the point of time when the service is delivered. Generally, services differ according to whether provider and customer agree on a certain delivery time or not. More specifically, for a given service time, flexibility can vary depending on the customer's willingness to pay;
- The shopping time leads to a further time dimension of service delivery, the permanence of service availability. This dimension describes the time phases when the service resources are usable by the customer. The firm's chosen position regarding the permanence of service availability has a major influence on other services marketing instruments. A permanent service availability necessitates the permanent provision of the respective service resources; and
- A final dimension of service timing is the time-lag between order and delivery. There is a time interval, namely, time-lag, between the customers' order of a service and actual delivery of the service. Repair services, such as those provided by GWM service centres, are typical services with a time-lag between order and delivery. The major challenge for service managers is service standardisation. The more standardised a service is in general, the more the specific elements of the service are standardised, resulting in a shorter time-lag between order and delivery.

## **2.10 INTEGRATED SERVICES MARKETING COMMUNICATIONS**

Kurtz and Clow (2007:415-416) indicate that to successfully market a service, organisations must have a fully integrated communications program. Communications, within the marketing context, involves informing, persuading, and influencing consumer behaviour. An integrated communications program is the coordinated use of the various communication mediums to accomplish a central objective.

Zeithaml and Bitner (2003:452-453) show four categories to match service delivery: (1) manage service promises, (2) manage customer expectations, (3) improve customer education, and (4) manage internal marketing communication.

- Managing service promises involves co-ordinating the vows made by all external and interactive marketing sources to ensure that they are consistent and feasible.
- Managing customer expectations incorporates strategies that tell customers the firm cannot or may not always provide the level of service they expect.
- Educating customers means providing them with information about the service process or evaluative criteria about important aspects of the service.
- Managing internal marketing communications means transmitting information across organisational boundaries—upward, downward, and across—to align all functions with customer expectations.

Kurtz and Clow (2007:422-423) note that an integrative communications program has two primary components that must be considered: the promotional options and the servicescape.

- Firms have three major promotional options they can use to develop an integrative communications program. These options are advertising, sales promotions, and personal selling. Most service organisations will use a combination of the three in their communications program.
- An important component of communications is the servicescape. The servicescape impacts consumer expectations, evaluations of service quality, and purchase intentions. Both human and physical elements of the servicescape should be considered in the communications program.

According to MacDonald and Smith (2004:114-115), good communication skills can increase productivity. Without an effective information delivery system, organisations will lose normal operation. The absence of communication at GWM service centres can affect customer perceptions of service quality. Thus, communication should be a top priority.

## 2.11 NEW SERVICE DEVELOPMENT

According to Fitzsimmons and Fitzsimmons (2006: 78), innovation is viewed both as the process of creating something new and also as the actual product or outcome. For services, the outcome need not be a new service product but rather some degree of modification to an existing service. Ideas for new service innovations can originate from many sources. Customers can offer suggestions, frontline employees can be trained to listen to customers' concerns and customer databases can be mined for possible service extensions. Trends in customer demographics can suggest new services and new advances in technology.

The fact that services are intangible makes it even more imperative for a new-service development system to have four basic characteristics: (1) It must be objective, not subjective; (2) It must be precise, not vague; (3) It must be fact driven, not opinion driven; and (4) It must be methodological, not philosophical (Wilson, Zeithaml, Bitner and Gremler, 2008:189).

Zeithaml and Bitner (2003:223) find the types of new service options can run the gamut from major innovations to minor style change:

- *Major innovations* are new services for markets as yet undefined. Many innovations now and in the future will evolve from information, computer, and Internet-based technologies;
- *Start-up businesses* consist of new services for a market that is already served by existing products that meet the same generic needs;
- *New services for the currently-served market* represent attempts to offer existing customers of the organisation a service not previously available from the company (although it may be available from other companies);
- *Service line extensions* represent augmentations of the existing service line;
- *Service improvements* represent perhaps the most common type of service innovation; and
- *Style changes* represent the most modest service innovations, although they are

often highly visible and can have significant effects on customer perceptions, emotions, and attitudes.

Copley (2004:18) indicates that organisations should analyse all related information in their social and economic environment and use it to guide their activities.

## **2.12 CONCLUSION**

This chapter has considered the bases for the factors which influence customer service quality. Various concepts relating to customer service quality have also been discussed. The importance of evaluating customer expectations, perceptions and satisfaction has been discussed in terms of evaluating service quality. The potential causes of service quality gaps have been addressed. The SERVQUAL model based on the gap models has been explained. Chapter three will discuss the research methodology.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

In chapter two, an overview of service quality and the SERVQUAL measurement theory were described and examined. In this chapter, the research methodology used in this study is described. The chapter also addresses the study type, target population, sampling techniques, sampling size, data collection, validity and reliability, the questionnaire and analysis of the data.

#### **3.2 STUDY TYPE**

The research proposes to investigate customer service quality at GWM service centres in the greater Durban area. The study is descriptive in nature. The researcher employed a questionnaire to gather data and made use of appropriate statistical techniques to evaluate the data and reach conclusions. This study is classified as quantitative and cross-sectional in nature.

Quantitative research tends to focus on ‘what is now’, that is, what respondents intuitively know and have the facts of, ‘including what the respondents have done’. It can be akin to a snapshot. Its strength lies in the way the science of mathematical analysis and modelling can be used to explain marketing phenomena by showing the key constructs, their interrelationships and their relative strengths within these interrelationships. Marketers can base their decisions on statistically proven facts with known margins of error (Wright and Crimp, 2000:142-143).

Cross-sectional research is undertaken as it measures units from a sample of the population at only one point in time (Burns and Bush, 2002:125). The major

advantage of cross-sectional research is that data can be collected from many different kinds of people in a relatively short period of time (Cross sectional research, 2008).

A descriptive study tries to discover answers to the questions who, what, where and when? (Cooper and Schindler 2001: 12).

According to Leedy and Ormrod (2006: 191), the descriptive survey has the following characteristics:

- The method deals with a situation that demands the technique of observation as the principal means of collecting the data;
- The population for the study must be carefully chosen, clearly defined and specifically delimited to set accurate parameters for ensuring discreteness to the population;
- The potential to have distortion as a result of bias. Particular attention should be given to safeguard the data from the influence of bias; and
- Data must be organised and presented systematically so that valid and accurate conclusions may be drawn.

### **3.3 TARGET POPULATION**

The population is the total number of all possible subjects or elements which could be included in a study. If the data are valid, the results of the research on a sample of subjects drawn from a much larger population can then be generalised to the population (Glossary, 2006:96). Properly defining the study population is crucial in the design of the research project.

Mouton (2002: 67) points out that one of the important characteristics of a descriptive survey is the population for the study. The population must be carefully chosen, clearly defined, and specifically delimited in order to set precise parameters for ensuring discreteness of the population.

The population of interest is called the target population. The data required for the



study should only be gathered from objects in the population of interest. Properly defining the target population is a vital step in the design of the research project (Crask, Fox and Stout, 2005:204).

According to Welman and Kruger (2003: 214-215), the target population is the population to which the researcher ideally would like to generalise the results. In this study, the target population involves the people who have purchased GWM vehicles in the greater Durban area.

### **3.4 SAMPLING METHOD**

A sampling frame is a comprehensive list of elements from which the sample is drawn. A sampling frame, therefore, is as complete a list as possible of all the elements in the population from which the sample is drawn (Blumberg, Cooper and Schindler, 2005: 211).

In general, the 'sampling strategy', that is, methods of sampling, may be either probability or non-probability samples, also known as random or purposive samples, respectively. In comparing the two methods, Leedy (2002:153) asserts, "in probability sampling, the researcher can specify in advance that each segment of the population will be represented in the sample". Non-probability samples are easier to set up, cheaper in financial terms, and are adequate in their representativeness within the scope of the defined research (Cohen and Manion, 2003:102). Non-probability sampling is used due to the problems of both cost and time.

There are several types of non-probability samples. In this study, quota sampling is used. Maylor and Blackman (2005: 197) point out that quota sampling is used in order to improve representativeness. Quota sampling involves selecting the characteristics that are required in the sample and then sampling until enough representatives of each category are achieved. Although this is a form of non-probability sampling, a quota sample can provide a good approximation to a probability sample. It means that

interviewing a certain group would be stopped after the prescribed quota is reached. It is often used when a researcher is attempting to represent a large population.

Quota sampling is the least expensive and least time consuming of all sampling techniques. The sample elements are easily accessible, easy to measure, and co-operative. The purpose of quota sampling is to ensure that the various subgroups in a population are represented on pertinent sample characteristics to the exact extent that the investigators desire (Zikmund and Babin, 2007:412).

### **3.5 SAMPLING SIZE**

Struwing and Stead (2004:125) state that it is not possible to identify whether an ideal sample size is good or bad, but the researcher must rather consider the purpose and goals of the study.

According to Cooper and Schindler (2001: 172), “how large a sample should be is a function of the variation in the population parameters under study and the estimating precision needed by the researcher”. This study is involved in the early stages of research whereby the researcher is interested in gaining ideas and attitudes about service quality. Hence, controls to ensure precision may not be necessary. Once the results from this research have been analysed, there may or may not be evidence that the topic requires a more sophisticated sampling procedure.

Thomaz (2009) states that GWM SA was launched in March 2007. To date, the company has sold in excess of 12 000 units in South Africa. According to Sekaran (2003:294), the sample size should be 375 if the give population is between 12 000 and 15 000.

The population of the study includes customers for private use and customers for business use. Totally, 150 private customers and 225 business customers are chosen as respondents.

### **3.6 DATA COLLECTION**

The object of data-collection is to get a good overall picture of how a process performs. It is important that, before any study or process is carried out, calibrated gauges, which are adequate for the purpose, are available. Also, all operational personnel must fully understand what is going on and what is required of them. The data collected should accurately reflect the performance of the process (Dale, Van der Wiele and Van Iwaarden, 2007:449-450).

Churchill and Iacobucci (2005:167) state that data collection is an important part of a problem-solving process to clarify the purpose of any research. Various data collection techniques exist.

Data is collected through the use of questionnaires that are administered 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:

- 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.

Collecting data is frequently regarded as the one of the core activities in 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). Taylor (2005:18-19) maintains that primary data collection methods can be classified in three ways—surveys, observation and experiments. As this is a quantitative study, the survey method is used to gather primary data from a relatively large number of respondents within a limited time frame. Fieldworkers are used to administer the

questionnaire.

### **3.7 VALIDITY AND RELIABILITY**

#### **3.7.1 Validity**

Validity refers to the extent to which the measurement process is free of both systematic and random error. It refers to how well the data measure what they are supposed to measure (Goddard and Melville, 2001:41). According to Parasuraman (2001:445), the validity of a scale is the extent to which it is a true reflection of the underlying variable it is attempting to measure. Alternatively, validity is the extent to which the scale fully captures all aspects of the construction to be measured.

According to De Vos (2002: 167), there are four types of validity:

- Face validity – It refers to whether the statements are appropriate; it relies on the subjective judgment by the researcher;
- Content validity – It is the accuracy with which an instrument measures the contents being studied;
- Criterion validity – It is determined by relating the performance of one measure against another with the second measure checking the accuracy of the first measure; and
- Construct validity – It is the degree to which the content of the study is actually measured by the questionnaire.

Validity refers to whether the items of the test appear to measure what the test proposes to measure. It should be ensured that the instrument addresses all essential questions and care is taken to use the most appropriate and suitable language for the respondents. Unlike content validity, face validity does not rely on the established theory for support (Struwig and Stead, 2004:142).

To ensure face validity and whether the instrument adequately covers the topic, a pilot study was conducted and the results are scrutinised by a statistician. The results give

direction to the consistency and reflect the true differences achieved from the pilot study (Aaker, Kumar and Day, 2004:241). Leedy and Ormrod (2006:274) point out that a pilot test can refine the questionnaire and assess the questionnaire's face validity. In order to ensure the construct validity of the research, confirmatory factor analysis is used (Struwig and Stead, 2004:138).

### **3.7.2 Reliability**

Reliability of the measurement refers to the extent to which the measurement process is free from random errors. Reliability refers to the extent to which obtained scores may be generalized to different measuring situations (Bush and Ortinau, 2001:387). According to Parasuraman (2001:443), reliability of an attitude scale refers to how consistent or stable the ratings generated by the scale are likely to be. While validity focuses on whether the scale truly measured the construct (and not something else), reliability focuses on whether the scale consistency measured 'something' (whatever that something may be). Reliability measures the reliability of data collection, its accuracy and consistency of results.

According to Parasuraman, Grewal and Krishnan (2007:132-133), a reliability analysis will be employed to test the internal consistency of each factor, e.g., Cronbach's coefficient alpha. Internal consistency reliability is a commonly used psychometric measure for assessing survey instruments and scales. Internal consistency is measured by calculating a statistic known as Cronbach's coefficient alpha (Litwin, 2005:24).

### **3.8 QUESTIONNAIRE**

Hussey and Hussey (2000:161) indicate that 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.

White (2000: 50) comments that, irrespective of the format, there are points about questionnaires and their construction that apply to all. During the design and development of the questionnaire, the researcher took cognizance of White's descriptors:

- Good, easy to understand questions that will engage the respondents and encourage accurate results;
- Each question should only deal with one issue;
- The questionnaire should be as short as possible;
- Keep jargon to a minimum; and
- Do not ask leading questions.

The questionnaire is an adaptation of the SERVQUAL instrument developed by Parasuraman, Zeithaml and Berry. The questionnaire, for this study, consists of 44 questions from the modified version of the SERVQUAL instrument; the same 22 questions are used to assess expectations and perceptions. All items, except the four demographic questions, are five-point Likert-type scales that are rated on 1 (strongly disagree) to 5 (strongly agree) response categories.

The five dimensions and their respective statements in the questionnaire were as follows:

- Tangibles-statements 1-4:  
Condition of facilities, equipment and appearance of personnel;
- Reliability-statements 5-9:  
Ability to perform the promised service dependably and accurately;
- Responsiveness-statements 10-13:  
Willingness to help customers and provide prompt service;
- Assurance-statements 14-17:  
Knowledge and courtesy of employees and their ability to inspire trust and confidence; and
- Empathy-statements 18-22:

Caring, individualised attention that the organisation provides its customers.

Likert-type scales are the most commonly used variation of the summated rating scales which consist of statements that express either a favourable or unfavourable attitude toward the object of interest (Cooper and Schindler, 2001: 234). White (2000: 51) reiterates this by stating that, if the researcher wants to gauge a degree of opinion, then ranking questions, using the Likert-type scale may be suitable. Since this research is interested in a defined group of general practitioners and their acceptance level of service quality, the Likert-type scale provided a suitable measurement tool. The Likert-type scale approach provides interval-scaled data.

### **3.9 ANALYSIS OF THE DATA**

Wegner (2001:7) defines data as individual observations on an issue. The data value, in itself, conveys no useful information. Only when the individual data values are collected, collated, summarised, analysed and presented, does useful information for decision-making result. Once the data collection was completed, an in-depth analysis of the data was done by means of data filtering and the integration of the views of different authors. Brynard and Hanekom (2007:48) state that the researcher has to filter the massive amount of data available until only that which are critical to the research remain. The information obtained was captured using the SPSS (Statistical Programme for Social Science). A number of statistical analyses were carried out such as frequencies, cross tabulation, mean, t- test, u-test and the Shapiro Wilks test.

#### **3.9.1 Data Preparation**

Data preparation includes editing, coding and data entry. To assure gathered data are accurate and complete, editing, as the first step in any analysis process, includes checking for interviewers and respondents mistakes and correcting the errors. Coding refers to the process of classifying raw data gathered and converting data to numerical codes for helping the researcher to make analysis more efficient. Data entry is an important step to analyse the responses from a large questionnaire survey using a

computer statistics package (Copper and Schindler, 2001: 454-472).

### **3.9.2 Data Analysis and Interpretation of the Results**

The data is collected, edited and captured using a statistical package. The data from the questionnaires are analysed using relevant statistical tests. The purpose of coding data is to render data in a form which is presented and analysed. Frequency tables and graphs are used to obtain a general view of the data and there after inferential statistics, cross tabulations and correlations to test the significance level (Birley and Moreland, 2007:351-353).

#### **3.9.2.1 Descriptive statistics**

Descriptive statistics refer to the collection 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” 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 (Zikmund and Babin, 2007:481).

According to Welman and Kruger (2005:242), descriptive statistics involve the description and summary of data, while inferential statistics involve the inferences that are drawn from the results. Descriptive statistics describes the organising and summarising of quantitative data. Univariate and bivariate analysis are most appropriate for descriptive statistics. Univariate analysis is concerned with measures of central tendency and measures of dispersion. The most appropriate measure of central tendency for interval data is the mean and the most appropriate measure of dispersion for interval data is the standard deviation. Bivariate analysis concerns the measurement of two variables at a time (Lind, Marchal and Mason, 2001:6).

#### **Frequencies**

Frequencies were used to determine how often a respondent made a certain response



to a particular question, and were also used to cross check the coding of data. (Babbie, Mouton, Boshoff and Vorster, 2002:298).

### **Percentages**

The percentage is the proportion of respondents who answer a question in a certain way, multiplied by 100 (Aaker *et al.*, 2004: 450).

### **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 and Kruger, 2005:74-78). The data were analysed using the following measures of central tendency and dispersion:

- **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; and
- **Standard deviation:** The standard deviation is a commonly used measure of dispersion, and is simply the square root of the variance.

#### 3.9.2.2 Inferential statistics

Inferential statistics is concerned with drawing conclusions about a population from a sample, followed by inferences made about central tendency, or any of a number of other aspects of a distribution (Inferential Statistics, 2006).

These have been used to gain knowledge about the structural relationships among the variables (Glossary, 2006:238).

### **Correlation**

Babbie *et al.* (2002:331) point out that the purpose of a correlation coefficient is to show how much two variables “go together” or co-vary. Ideally, the variables have a rational level of measurement.

### **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 (Brynard and Hanekom, 2007:114).

### **The 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, 2003: 376).

### **Cross tabulations**

The objective of cross tabulations is to identify a relationship between variables. The question arises as to whether this observed relationship is simply the result of sampling error, and the chi-square test is designed to answer this question (Dale *et al.*, 2007:368).

### **Analysis of Variance (ANOVA)**

McDaniel and Gates (2005: 315) indicate that ANOVA is a statistical procedure in order to look for differences among three or more means by comparing the variances both within and across groups.

## **3.10 CONCLUSION**

In this chapter, the research methodology used in the study was discussed. The chapter outlined the basic steps and procedures that were used. 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**

### **ANALYSIS AND PRESENTATION OF RESULTS**

#### **4.1 INTRODUCTION**

The research methodology and procedures were discussed in chapter three. This chapter will present the data that has been collected through quantitative survey. This chapter focuses on the data interpretation and analysis of results of the research.

First of all, this chapter analyses all demographic information obtained from the 375 respondents who used GWM service centres in the greater Durban area. Secondly, a detailed analysis of the findings relating to Section A and Section B of the questionnaires is explained. Thereafter, the chapter focuses on analysing the means gap in terms of the different factors. Eventually, the T-test and the ANOVA test are used to determine relationships or differences of the factors influencing customer service quality at GWM service centres in the greater Durban area.

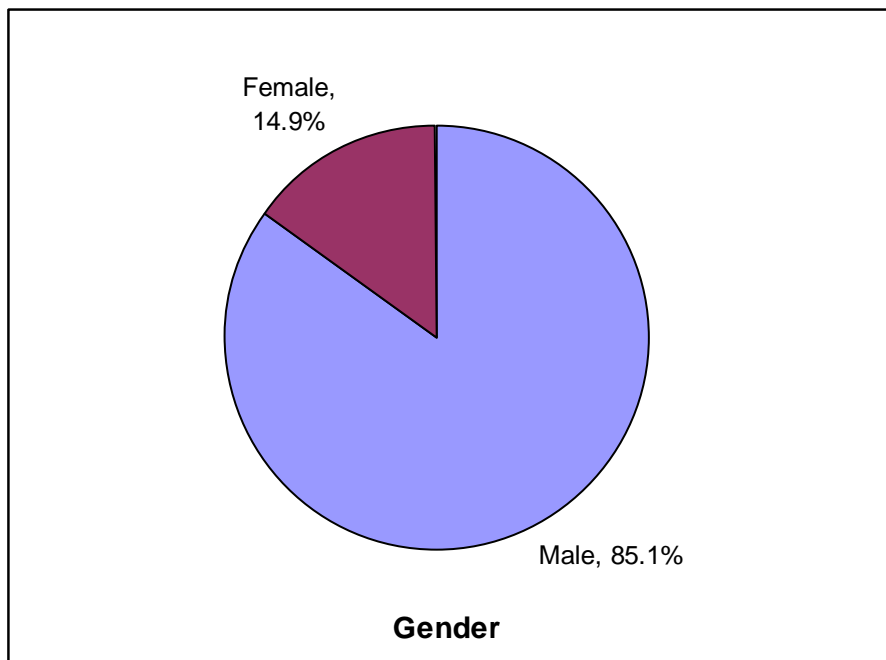
#### **4.2 DEMOGRAPHIC DETAILS OF RESPONDENTS**

This section describes the demographic profile of respondents, including gender, age, and regional distribution and reason for purchasing the vehicle. The detailed information is explained as follows:

##### **4.2.1 Gender**

As shown in Figure 4.1, the percentage of male respondents was 85.1%, while the percentage of female respondents was 14.9%. The sample of GWM customers comprised more males (319) than females (56).

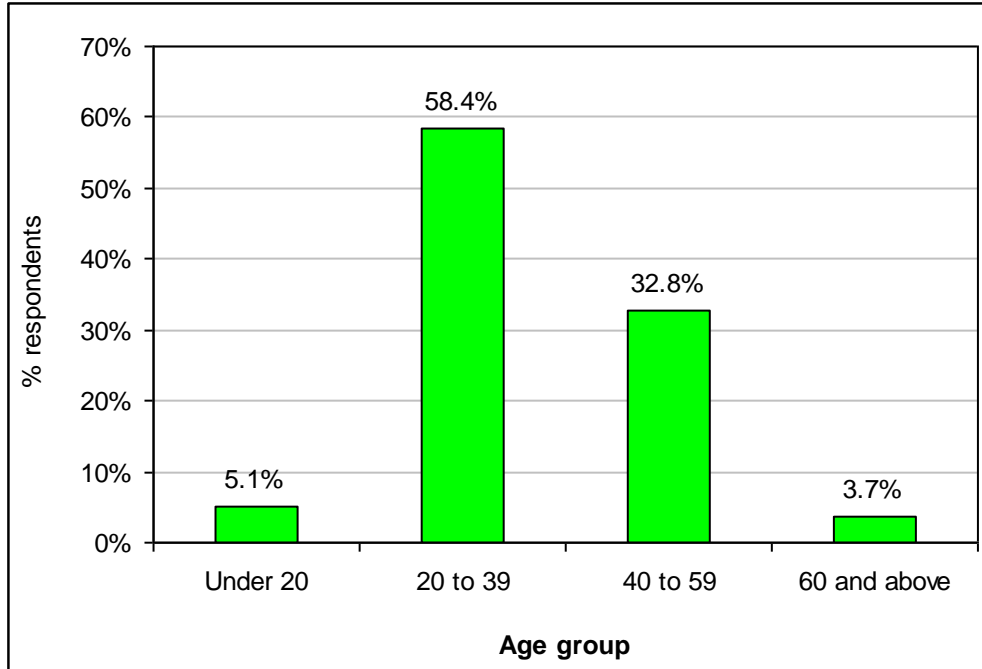
**Figure 4.1: Gender of respondents**



#### **4.2.2 Age**

As indicated in Figure 4.2, 58.4% (219) of the respondents were in the 20-39 age group, followed by 5.1% (19) in the under 20 age group, 32.8% (123) in the 40-59 age group and 3.7% (14) of the respondents are 60 years and above. The demographic age profile of this study demonstrates that ages 20 to 39 were the dominant group.

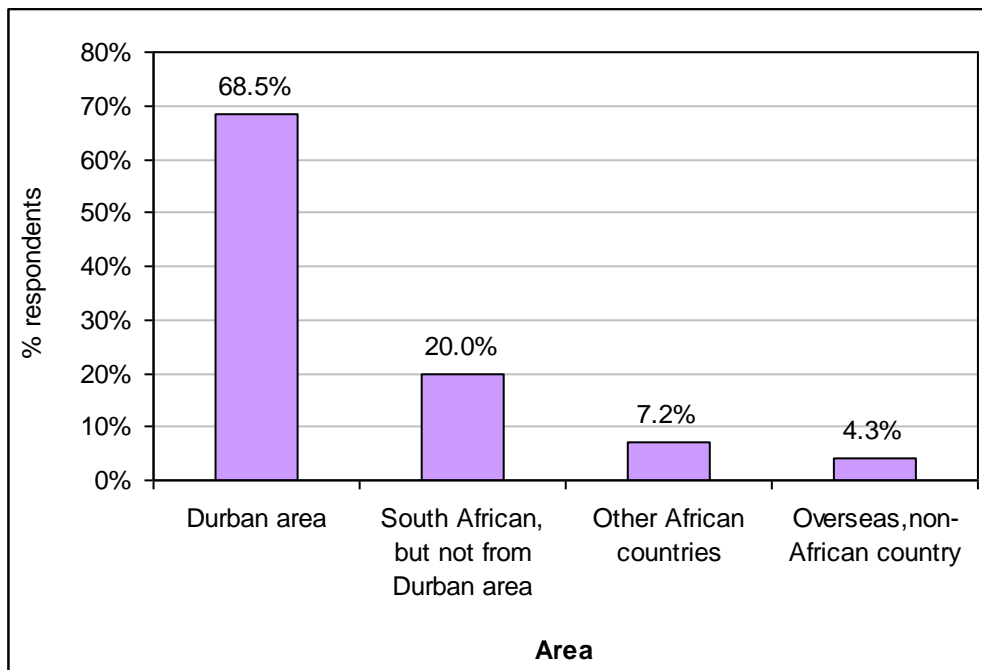
**Figure 4.2: Age of respondents**



### 4.2.3 Regional Distribution

As reflected in Figure 4.3, 68.5% (257) of the respondents were from the Durban area,

**Figure 4.3 Respondents by regional distribution**

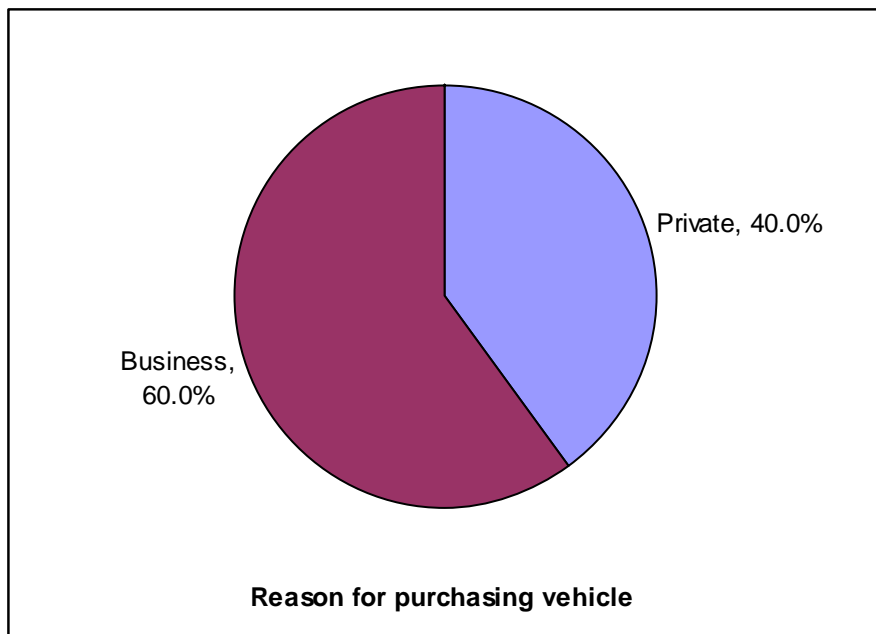


20% (75) are South Africans but not from the Durban area and 7.2% (27) of the respondents are from other African countries, while 4.3% (16) are overseas residents, but not Africans.

#### 4.2.4 Reason for Purchasing Vehicle

The sample for the study was made up of 375 respondents who were distributed between private customers and business customers, with private customers making 40% of the sample and business customers making 60% of the sample, as shown below in Figure 4.4. In actual figures, the sample was made up of 150 private customers and 225 business customers.

**Figure 4.4: Reason for purchasing vehicle of respondents**



**Table 4.1: Cross tabulation between Gender and Reason for purchasing the vehicle**

		Reason for purchasing the vehicle				Total	
		Private		Business		Private	
		n	%	n	%	N	%
Gender	Male	124	33.1%	195	52.0%	319	85.1%
	Female	26	6.9%	30	8.0%	56	14.9%
<b>Total</b>		<b>150</b>	<b>40.0%</b>	<b>225</b>	<b>60.0%</b>	<b>375</b>	<b>100.0%</b>

Pearson Chi-square=1.134, df=1, p=0.287

#### 4.2.5 Relationship between Gender and Reason for Purchasing the Vehicle

Table 4.1 reflects the comparison between gender and reason for purchasing the vehicle. 33.1% of males purchased the vehicle for private reasons and 52% for business reasons, 6.9% females purchased the vehicle for private reasons and 8% for business reasons. The results of the Pearson chi-square test indicate that the association between gender and reason for purchasing vehicle is not significant at the 95% level (p=0.287).

#### 4.2.6 Relationship between Age and Reason for Purchasing the Vehicle

Table 4.2 indicates that a total of 5.1% of the under 20 age group purchased vehicles. From this total, 2.4% was for private use and 2.7% was for business use. A total of 58.4% of the 20-39 age group purchased vehicles. From this total, 22.9% was for private use and 35.5% was for business use. A total of 32.8% of the 40-59 age group purchased vehicles. From this total, 13.3% was for private use and 19.5% was for business use. A total of 3.7% of the 60 and above age group purchased vehicles. From this total, 1.3% was for private use and 2.4% was for business use.

**Table 4.2: Cross tabulation between Age and Reason for purchasing the vehicle**

		Reason for purchasing the vehicle				Total	
		Private		Business		Private	
		n	%	n	%	n	%
Age	Under 20	9	2.4%	10	2.7%	19	5.1%
	20 to 39	86	22.9%	133	35.5%	219	58.4%
	40 to 59	50	13.3%	73	19.5%	123	32.8%
	60 and above	5	1.3%	9	2.4%	14	3.7%
<b>Total</b>		<b>150</b>	<b>40.0%</b>	<b>225</b>	<b>60.0%</b>	<b>375</b>	<b>100.0%</b>

Pearson Chisquare=.607, df=3, p=0.895

The results of the Pearson chi-square test indicate that the association between age and reason for purchasing vehicle is not significant at the 95% level (p=0.895).

#### 4.2.7 Relationship between Area of and Reason for Purchasing the Vehicle

According to Table 4.3, 68.5% of the respondents were from the Durban area. Of these, 26.7% purchased for private use and 41.9% for business use. A total of 20% of the respondents were from South African, but not from the Durban area. From these respondents, 8.5% purchased for private use and 11.5% for business use. A total of 7.2% of the respondents were from other African countries. From these respondents, 2.1% purchased for private use and 5.1% for business use. A total of 4.3% of the respondents were from overseas, non-African country. From these respondents, 2.7% purchased for Private use and 1.6% for business use.

**Table 4.3: Cross tabulation between Area and Reason for purchasing the vehicle**

		Reason for purchasing the vehicle				Total	
		Private		Business		Private	
		n	%	n	%	n	%
Area	Durban area	100	26.7%	157	41.9%	257	68.5%
	South African, but not from Durban area	32	8.5%	43	11.5%	75	20.0%
	Other African countries	8	2.1%	19	5.1%	27	7.2%
	Overseas, non-African country	10	2.7%	6	1.6%	16	4.3%
<b>Total</b>		<b>150</b>	<b>40.0%</b>	<b>225</b>	<b>60.0%</b>	<b>375</b>	<b>100.0%</b>
<b>Pearson Chisquare=4.934, df=3, p=0.177</b>							

The results of the Pearson chi-square test indicate that the association between area and reason for purchasing vehicle was not significant at the 95% level ( $p=0.177$ ).

#### 4.3 ANALYSIS OF EXPECTATIONS

The data reflected in Table 4.4 reveal the expectations of respondents in this study.

The results were as follows:



**Table 4.4: Frequency distribution of questions relating to Expectations**

	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree	
	n	%	n	%	n	%	n	%	n	%
E1	30	8.0%	74	19.7%	97	25.9%	126	33.6%	48	12.8%
E2	28	7.5%	57	15.2%	109	29.1%	131	34.9%	50	13.3%
E3	19	5.1%	44	11.7%	103	27.5%	157	41.9%	52	13.9%
E4	18	4.8%	41	10.9%	78	20.8%	181	48.3%	57	15.2%
E5	16	4.3%	31	8.3%	65	17.3%	185	49.3%	78	20.8%
E6	17	4.5%	34	9.1%	85	22.7%	176	46.9%	63	16.8%
E7	15	4.0%	31	8.3%	88	23.5%	179	47.7%	62	16.5%
E8	15	4.0%	40	10.7%	86	22.9%	182	48.5%	52	13.9%
E9	16	4.3%	45	12.0%	84	22.4%	182	48.5%	48	12.8%
E10	17	4.5%	42	11.2%	70	18.7%	189	50.4%	57	15.2%
E11	17	4.5%	37	9.9%	52	13.9%	195	52.0%	74	19.7%
E12	9	2.4%	28	7.5%	61	16.3%	205	54.7%	72	19.2%
E13	14	3.7%	43	11.5%	70	18.7%	199	53.1%	49	13.1%
E14	14	3.7%	37	9.9%	79	21.1%	192	51.2%	53	14.1%
E15	13	3.5%	33	8.8%	72	19.2%	178	47.5%	79	21.1%
E16	14	3.7%	38	10.1%	64	17.1%	182	48.5%	77	20.5%
E17	16	4.3%	32	8.5%	60	16.0%	200	53.3%	67	17.9%
E18	14	3.7%	37	9.9%	59	15.7%	211	56.3%	54	14.4%
E19	15	4.0%	31	8.3%	72	19.2%	203	54.1%	54	14.4%
E20	13	3.5%	30	8.0%	59	15.7%	209	55.7%	64	17.1%
E21	12	3.2%	35	9.3%	62	16.5%	195	52.0%	71	18.9%
E22	11	2.9%	34	9.1%	67	17.9%	202	53.9%	61	16.3%

**Statement 1:** GWM service centres will have modern-looking equipment. 8% (30) of the respondents strongly disagreed, 19.7% (74) of the respondents disagreed, 25.9% (97) of the respondents were uncertain, 33.6% (126) of the respondents agreed and 12.8% (48) of the respondents strongly agreed. More than half of the respondents expected GWM service centres to have modern-looking equipment.

**Statement 2:** The physical facilities at GWM service centres will be visually appealing. 7.5% (28) of the respondents strongly disagreed, 15.2% (57) of the

respondents disagreed, 29.1% (109) of the respondents were uncertain, 34.9% (131) of the respondents agreed and 13.3% (50) of the respondents strongly agreed. The majority of the respondents expected the physical facilities at GWM service centres to be visually appealing.

**Statement 3:** Employees at GWM service centres will be neat and appealing. 5.1% (19) of the respondents strongly disagreed, 11.7% (44) of the respondents disagreed, 27.5% (103) of the respondents were uncertain, 41.9% (157) of the respondents agreed and 13.9% (52) of the respondents strongly agreed. More than half of the respondents expected employees at GWM service centres to be neat and appealing.

**Statement 4:** Materials associated with the service (pamphlets or statements) will be visually appealing at GWM service centres. 4.8% (18) of the respondents strongly disagreed, 10.9% (41) of the respondents disagreed, 20.8% (78) of the respondents were uncertain, 48.3% (181) of the respondents agreed and 15.2% (57) of the respondents strongly agreed. Most respondents wanted materials associated with GWM service centres to be visually appealing.

**Statement 5:** When GWM service centres promise to do something by a certain time, they will do so. 4.3% (16) of the respondents strongly disagreed, 8.3% (31) of the respondents disagreed, 17.3% (65) of the respondents were uncertain, 49.3% (185) of the respondents agreed and 20.8% (78) of the respondents strongly agreed. The majority of respondents expected when GWM service centres to fulfill promises to their customers.

**Statement 6:** When customers have a problem, GWM service centres will show sincere interest in solving it. 4.5% (17) of the respondents strongly disagreed, 9.1% (34) of the respondents disagreed, 22.7% (85) of the respondents were uncertain, 46.9% (176) of the respondents agreed and 16.8% (63) of the respondents strongly agreed. Most respondents wanted GWM service centres to show sincere interest in

solving customers' problems.

**Statement 7:** GWM service centres will perform the service right the first time. 4 % (15) of the respondents strongly disagreed, 8.3% (31) of the respondents disagreed, 23.5% (88) of the respondents were uncertain, 47.7% (179) of the respondents agreed and 16.5% (62) of the respondents strongly agreed. More than half of the respondents expected GWM service centres to perform the service right the first time.

**Statement 8:** GWM service centres will provide their services at the time they promise to do so. 4% (15) of the respondents strongly disagreed, 10.7% (40) of the respondents disagreed, 22.4% (84) of the respondents were uncertain, 48.5% (182) of the respondents agreed and 13.9% (52) of the respondents strongly agreed. A large number of the respondents expected GWM service centres to provide their services at the time they promised to do so.

**Statement 9:** GWM service centres will insist on error-free records. 4.3% (15) of the respondents strongly disagreed, 12% (45) of the respondents disagreed, 22.4% (84) of the respondents were uncertain, 48.5% (182) of the respondents agreed and 12.8% (48) of the respondents strongly agreed. More than half of the respondents expected GWM service centres to insist on error-free records.

**Statement 10:** Employees at GWM service centres will tell customers exactly when services will be performed. 4.5% (17) of the respondents strongly disagreed, 11.2% (42) of the respondents disagreed, 18.7% (70) of the respondents were uncertain, 50.4% (189) of the respondents agreed and 15.2% (57) of the respondents strongly agreed. Most respondents wanted employees at GWM service centres to tell customers exactly when services are performed.

**Statement 11:** Employees at GWM service centres will give prompt service to customers. 4.5% (17) of the respondents strongly disagreed, 9.9% (37) of the respondents disagreed, 13.9% (52) of the respondents were uncertain, 52% (195) of

the respondents agreed and 19.7% (74) of the respondents strongly agreed. The majority of the respondents expected employees at GWM service centres to give prompt service to customers.

**Statement 12:** Employees at GWM service centres will be always willing to help customers. 2.4% (9) of the respondents strongly disagreed, 7.5% (28) of the respondents disagreed, 16.3% (61) of the respondents were uncertain, 54.7% (205) of the respondents agreed and 19.2% (72) of the respondents strongly agreed. Most respondents wanted employees at GWM service centres to always be willing to help customers.

**Statement 13:** Employees at GWM service centres will be never too busy to respond to customers' requests. 3.7% (14) of the respondents strongly disagreed, 11.5% (43) of the respondents disagreed, 18.7% (70) of the respondents were uncertain, 53.1% (199) of the respondents agreed and 13.1% (49) of the respondents strongly agreed. More than half of the respondents expected employees at GWM service centres to be never too busy to respond to customers' requests.

**Statement 14:** The behaviour of employees at GWM service centres will instil confidence in customers. 3.7% (14) of the respondents strongly disagreed, 9.9% (37) of the respondents disagreed, 21.1% (79) of the respondents were uncertain, 51.2% (192) of the respondents agreed and 14.1% (53) of the respondents strongly agreed. A large number of the respondents expected the behaviour of employees at GWM service centres to instil confidence in customers.

**Statement 15:** Customers will feel safe in their transactions with GWM service centres. 3.5% (13) of the respondents strongly disagreed, 8.8% (33) of the respondents disagreed, 19.2% (72) of the respondents were uncertain, 47.5% (178) of the respondents agreed and 21.1% (79) of the respondents strongly agreed. The majority of the respondents cared about feeling safe in their transactions with GWM service

centres.

**Statement 16:** Employees at GWM service centres will be consistently courteous with customers. 3.7% (14) of the respondents strongly disagreed, 10.1% (38) of the respondents disagreed, 17.1% (64) of the respondents were uncertain, 48.5% (182) of the respondents agreed and 20.5% (77) of the respondents strongly agreed. Most respondents wanted employees at GWM service centres to be consistently courteous with customers.

**Statement 17:** Employees at GWM service centres will have the knowledge to answer customers' questions. 4.3% (16) of the respondents strongly disagreed, 8.5% (32) of the respondents disagreed, 16% (60) of the respondents were uncertain, 53.3% (200) of the respondents agreed and 17.9% (67) of the respondents strongly agreed. The majority of the respondents needed employees at GWM service centres to have the knowledge to answer customers' questions.

**Statement 18:** GWM service centres will give customers individual attention. 3.7% (14) of the respondents strongly disagreed, 9.9% (37) of the respondents disagreed, 15.7% (59) of the respondents were uncertain, 56.3% (211) of the respondents agreed and 14.4% (54) of the respondents strongly agreed. Most respondents expected GWM service centres to give customers individual attention.

**Statement 19:** GWM service centres will have convenient business hours. 4% (15) of the respondents strongly disagreed, 8.3% (31) of the respondents disagreed, 19.2% (72) of the respondents were uncertain, 54.1% (203) of the respondents agreed and 14.4% (54) of the respondents strongly agreed. A large number of the respondents cared about GWM service centres having convenient business hours.

**Statement 20:** GWM service centres will have employees who give customers personal attention. 3.5% (13) of the respondents strongly disagreed, 8% (30) of the respondents disagreed, 15.7% (59) of the respondents were uncertain, 55.7% (209) of

the respondents agreed and 17.1% (64) of the respondents strongly agreed. Most respondents wanted GWM service centres to have employees who give customers personal attention.

**Statement 21:** GWM service centres will have the customers' best interests at heart.

3.2% (12) of the respondents strongly disagreed, 9.3% (35) of the respondents disagreed, 16.5% (62) of the respondents were uncertain, 52% (195) of the respondents agreed and 16.3% (61) of the respondents strongly agreed. The majority of the respondents expected GWM service centres to have the customers' best interests at heart.

**Statement 22:** Employees at GWM service centres will understand the specific needs of their customers.

2.9% (11) of the respondents strongly disagreed, 9.1% (34) of the respondents disagreed, 17.9% (67) of the respondents were uncertain, 53.9% (202) of the respondents agreed and 16.3% (61) of the respondents strongly agreed. A large percentage of the respondents needed employees at GWM service centres to understand the specific needs of their customers.

The results in Table 4.4 reflect that a larger proportion of respondents selected agree or strongly agree to the questions relating to expectations.

#### **4.4 ANALYSIS OF PERCEPTIONS**

The data reflected in Table 4.5 reveal the perceptions of respondents in this study. The results were as follows:

**Table 4.5: Frequency distribution of questions relating to Perceptions**

	Strongly Disagree		Disagree		Uncertain		Agree		Strongly Agree	
	n	%	n	%	n	%	n	%	n	%
P1	34	9.1%	165	44.0%	93	24.8%	61	16.3%	22	5.9%
P2	34	9.1%	185	49.3%	80	21.3%	56	14.9%	20	5.3%
P3	34	9.1%	174	46.4%	72	19.2%	68	18.1%	27	7.2%
P4	41	10.9%	179	47.7%	83	22.1%	50	13.3%	22	5.9%
P5	43	11.5%	155	41.3%	100	26.7%	57	15.2%	20	5.3%
P6	35	9.3%	110	29.3%	131	34.9%	70	18.7%	29	7.7%
P7	32	8.5%	151	40.3%	110	29.3%	62	16.5%	20	5.3%
P8	36	9.6%	168	44.8%	70	18.7%	78	20.8%	23	6.1%
P9	36	9.6%	153	40.8%	95	25.3%	67	17.9%	24	6.4%
P10	38	10.1%	158	42.1%	95	25.3%	63	16.8%	21	5.6%
P11	39	10.4%	163	43.5%	85	22.7%	63	16.8%	25	6.7%
P12	37	9.9%	154	41.1%	98	26.1%	65	17.3%	21	5.6%
P13	32	8.5%	166	44.3%	95	25.3%	63	16.8%	19	5.1%
P14	37	9.9%	175	46.7%	89	23.7%	55	14.7%	19	5.1%
P15	34	9.1%	158	42.1%	101	26.9%	65	17.3%	17	4.5%
P16	35	9.3%	168	44.8%	91	24.3%	63	16.8%	18	4.8%
P17	34	9.1%	182	48.5%	84	22.4%	57	15.2%	18	4.8%
P18	31	8.3%	170	45.3%	95	25.3%	63	16.8%	16	4.3%
P19	35	9.3%	166	44.3%	96	25.6%	59	15.7%	19	5.1%
P20	28	7.5%	176	46.9%	101	26.9%	56	14.9%	14	3.7%
P21	28	7.5%	162	43.2%	107	28.5%	60	16.0%	18	4.8%
P22	26	6.9%	160	42.7%	102	27.2%	65	17.3%	22	5.9%

**Statement 1:** GWM service centres have modern-looking equipment. 9.1% (34) of the respondents strongly disagreed, 44% (165) of the respondents disagreed, 24.8% (93) of the respondents were uncertain, 16.3% (61) of the respondents agreed and 5.9% (22) of the respondents strongly agreed. More than half of the respondents disagreed with regard to GWM service centres having modern-looking equipment.

**Statement 2:** The physical facilities at GWM service centres are visually appealing. 9.1% (34) of the respondents strongly disagreed, 49.3% (185) of the respondents disagreed, 21.3% (80) of the respondents were uncertain, 14.9% (56) of the

respondents agreed and 5.3% (20) of the respondents strongly agreed. Only a small percentage of the respondents agreed that the physical facilities at GWM service centres are visually appealing.

**Statement 3:** Employees at GWM service centres are neat in appearance. 9.1% (34) of the respondents strongly disagreed, 46.4% (174) of the respondents disagreed, 19.2% (72) of the respondents were uncertain, 18.1% (68) of the respondents agreed and 7.2% (27) of the respondents strongly agreed. More than half of the respondents disagreed with regard to employees at GWM service centres being neat in appearance.

**Statement 4:** Materials associated with the service (pamphlets or statements) are visually appealing at GWM service centres. 10.9% (41) of the respondents strongly disagreed, 47.7% (179) of the respondents disagreed, 22.1% (83) of the respondents were uncertain, 13.3% (50) of the respondents agreed and 5.9% (22) of the respondents strongly agreed. Less than one fifth of the respondents agreed that the materials associated with the service (pamphlets or statements) are visually appealing at GWM service centres.

**Statement 5:** When GWM service centres promise to do something by a certain time, they do so. 11.5% (43) of the respondents strongly disagreed, 41.3% (155) of the respondents disagreed, 26.7% (100) of the respondents were uncertain, 15.2% (57) of the respondents agreed and 5.3% (20) of the respondents strongly agreed. A large number of the respondents disagreed that when GWM service centres promise to do something by a certain time, they do so.

**Statement 6:** When customers have a problem, GWM service centres show sincere interest in solving it. 9.3% (35) of the respondents strongly disagreed, 29.3% (110) of the respondents disagreed, 34.9% (131) of the respondents were uncertain, 18.7% (70) of the respondents agreed and 7.7% (29) of the respondents strongly agreed. Only a small percentage of the respondents agreed that when customers have a problem,



GWM service centres show sincere interest in solving it.

**Statement 7:** GWM service centres perform the service right the first time. 8.5% (32) of the respondents strongly disagreed, 40.3% (151) of the respondents disagreed, 29.3% (110) of the respondents were uncertain, 16.5% (62) of the respondents agreed and 5.3% (20) of the respondents strongly agreed. Less than one fourth of the respondents agreed that GWM service centres perform the service right the first time.

**Statement 8:** GWM service centres provide their services at the time they promise to do so. 9.6% (36) of the respondents strongly disagreed, 44.8% (168) of the respondents disagreed, 18.7% (70) of the respondents were uncertain, 20.8% (78) of the respondents agreed and 6.1% (23) of the respondents strongly agreed. More than half of the respondents disagreed that GWM service centres provide their services at the time they promise to do so.

**Statement 9:** GWM service centres insist on error-free records. 9.6% (36) of the respondents strongly disagreed, 40.8% (153) of the respondents disagreed, 25.3% (95) of the respondents were uncertain, 17.9% (67) of the respondents agreed and 6.4% (24) of the respondents strongly agreed. The minority of the respondents agreed that GWM service centres insist on error-free records.

**Statement 10:** Employees at GWM service centres tell you exactly when services will be performed. 10.1% (38) of the respondents strongly disagreed, 42.1% (158) of the respondents disagreed, 25.3% (95) of the respondents were uncertain, 16.8% (63) of the respondents agreed and 5.6% (21) of the respondents strongly agreed. Most respondents disagreed that employees at GWM service centres tell you exactly when services will be performed.

**Statement 11:** Employees at GWM service centres give you prompt service. 10.4% (39) of the respondents strongly disagreed, 43.5% (163 ) of the respondents disagreed,

22.7% (85) of the respondents were uncertain, 16.8% (63) of the respondents agreed and 6.7% (25) of the respondents strongly agreed. The majority of the respondents disagreed that employees at GWM service centres give you prompt service.

**Statement 12:** Employees at GWM service centres are always willing to help you.

9.9% (37) of the respondents strongly disagreed, 41.1% (154) of the respondents disagreed, 26.1% (98) of the respondents were uncertain, 17.3% (65) of the respondents agreed and 5.6% (21) of the respondents strongly agreed. A minority of the respondents agreed that employees at GWM service centres are always willing to help.

**Statement 13:** Employees at GWM service centres will be never too busy to respond to your requests.

8.5% (32) of the respondents strongly disagreed, 44.3% (166) of the respondents disagreed, 25.3% (95) of the respondents were uncertain, 16.8% (63) of the respondents agreed and 5.1% (19) of the respondents strongly agreed. A small percentage of the respondents agreed that employees at GWM service centres will be never be too busy to respond to requests.

**Statement 14:** The behaviour of employees at GWM service centres instil confidence in you.

9.9% (37) of the respondents strongly disagreed, 46.7% (175) of the respondents disagreed, 23.7% (89) of the respondents were uncertain, 14.7% (55) of the respondents agreed and 5.1% (19) of the respondents strongly agreed. More than half of the respondents disagreed that the behaviour of employees at GWM service centres instil confidence in customers.

**Statement 15:** You will feel safe in your transactions with GWM service centres.

9.1% (34) of the respondents strongly disagreed, 42.1% (158) of the respondents disagreed, 26.9% (101) of the respondents were uncertain, 17.3% (65) of the respondents agreed and 4.5% (17) of the respondents strongly agreed. Only a few respondents agreed that they feel safe in their transactions with GWM service centres.

**Statement 16:** Employees at GWM service centres are consistently courteous with you. 9.3% (35) of the respondents strongly disagreed, 44.8% (168) of the respondents disagreed, 24.3% (91) of the respondents were uncertain, 16.8% (63) of the respondents agreed and 4.8% (18) of the respondents strongly agreed. A majority of the respondents disagreed that employees at GWM service centres are consistently courteous with customers.

**Statement 17:** Employees at GWM service centres have the knowledge to answer your questions. 9.1% (34) of the respondents strongly disagreed, 48.5% (182) of the respondents disagreed, 22.4% (84) of the respondents were uncertain, 15.2% (57) of the respondents agreed and 4.8% (18) of the respondents strongly agreed. Most respondents disagreed that employees at GWM service centres have the knowledge to answer questions.

**Statement 18:** GWM service centres give you individual attention. 8.3% (31) of the respondents strongly disagreed, 45.3% (170) of the respondents disagreed, 25.3% (95) of the respondents were uncertain, 16.8% (63) of the respondents agreed and 4.3% (16) of the respondents strongly agreed. A minority of the respondents agreed that GWM service centres give them individual attention.

**Statement 19:** GWM service centres have convenient business hours. 9.3% (35) of the respondents strongly disagreed, 44.3% (166) of the respondents disagreed, 25.6% (96) of the respondents were uncertain, 15.7% (59) of the respondents agreed and 5.1% (19) of the respondents strongly agreed. More than half of the respondents disagreed that GWM service centres have convenient business hours.

**Statement 20:** GWM service centres have employees who give you personal attention. 7.5% (28) of the respondents strongly disagreed, 46.9% (176) of the respondents disagreed, 26.9% (101) of the respondents were uncertain, 14.9% (56) of the respondents agreed and 3.7% (14) of the respondents strongly agreed. Only a

small percentage of the respondents agreed that GWM service centres have employees who give personal attention.

**Statement 21:** GWM service centres have your best interests at heart. 7.5% (28) of the respondents strongly disagreed, 43.2% (162) of the respondents disagreed, 28.5% (107) of the respondents were uncertain, 16% (60) of the respondents agreed and 4.8% (18) of the respondents strongly agreed. The minority of the respondents agreed that GWM service centres have customers' best interests at heart.

**Statement 22:** Employees at GWM service centres will understand your specific needs. 6.9% (26) of the respondents strongly disagreed, 42.7% (160) of the respondents disagreed, 27.2% (102) of the respondents were uncertain, 17.3% (65) of the respondents agreed and 5.9% (22) of the respondents strongly agreed. Only a few respondents agreed that employees at GWM service centres will understand their specific needs.

The results in Table 4.5 reflect that a larger proportion of respondents selected disagree or uncertain to the questions relating to perceptions.

#### **4.5 TEST FOR NORMALITY**

The results of the One-Sample Kolmogorov-Smirnov Test in Table 4.6 reflects that the dimensions do follow a normal distribution ( $p < 0.05$ ). Hence, non-parametric testing such as the Spearman correlation, Mann-Whitney t-Test and Kruskal-Wallis ANOVA are used for inferential testing.

**Table 4.6: One-Sample Kolmogorov-Smirnov Test**

	N	Kolmogorov -Smirnov Z	p
Tangibles - Expectations	375	2.194	.000
Reliability - Expectations	375	2.293	.000
Responsiveness - Expectations	375	2.680	.000
Assurance - Expectations	375	2.791	.000
Empathy - Expectations	375	2.144	.000
Tangibles - Perceptions	375	2.620	.000
Reliability - Perceptions	375	2.023	.001
Responsiveness - Perceptions	375	2.546	.000
Assurance - Perceptions	375	2.225	.000
Empathy - Perceptions	375	2.062	.000

#### 4.6 CENTRAL TENDENCY STATISTICS

The measurement scale code is interpreted as: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. The central tendency statistical results of the expectations and perceptions of quality as follows:

**Table 4.7: Measures of central tendency and dispersion**

	N	Mean	Median	Mode	Std. Deviation	Variance	Range	Minimum	Maximum
Tangibles - Expectations	375	3.40	3.00	3.00	.870	.725	4	1	5
Tangibles - Perceptions	375	2.62	3.00	3.00	.814	.664	4	1	5
Reliability - Expectations	375	4.53	5.00	5.00	.843	.695	4	1	5
Reliability - Perceptions	375	3.39	3.00	3.00	.860	.713	4	1	5
Responsiveness - Expectations	375	3.69	4.00	4.00	.769	.620	4	1	5
Responsiveness - Perceptions	375	2.66	3.00	3.00	.842	.693	4	1	5
Assurance - Expectations	375	3.70	4.00	4.00	.814	.664	4	1	5
Assurance - Perceptions	375	2.61	3.00	3.00	.804	.654	4	1	5
Empathy - Expectations	375	4.64	5.00	5.00	.822	.673	4	1	5
Empathy - Perceptions	375	3.32	3.00	3.00	.877	.733	4	1	5

##### 4.6.1 Mean

The expectation mean values for tangibles, reliability, responsiveness, assurance and empathy are 3.40, 4.53, 3.69, 3.70 and 4.64, respectively. The expectation of tangibles has a mean value of 3.40. The result reveals that the respondents have articulated an average expectation of 'Neutral' towards the above-mentioned study variable. The expectations of reliability and empathy have mean values of 4.53 and 4.64, respectively. The results reveal that the respondents have articulated an average expectation of 'Strongly Agree' towards the above-mentioned study variable. The expectations of responsiveness and assurance have mean values of 3.69 and 3.70, respectively. The results reveal that the respondents have articulated an average expectation of 'Agree' towards the above-mentioned study variable.

The perception mean values for tangibles, reliability, responsiveness, assurance and empathy are 2.62, 3.39, 2.66, 2.61 and 3.32, respectively. The results reveal that the respondents, who participated in this project, have articulated an average perception of 'Neutral' towards the above-mentioned study variable.

#### **4.6.2 Median**

The expectation median values for tangibles, reliability, responsiveness, assurance and empathy are 3.00, 5.00, 4.00, 4.00 and 5.00, respectively. The expectation for tangibles has a median value of 3.00, which indicates that 'Neutral' is the median opinion of respondents. The expectations for reliability and empathy have a median value of 5.00, which indicates that 'Strongly Agree' is the median opinion of the respondents. The expectations for responsiveness and assurance have a median value of 4.00, which indicates that 'Agree' is the median opinion of the respondents.

The perception median values for tangibles, reliability, responsiveness, assurance and empathy are 3.00, 3.00, 3.00, 3.00 and 3.00, respectively. The perceptions for tangibles, reliability, responsiveness, assurance, and empathy from five study variables have a median value 3.00, which indicates that 'Neutral' is the median

opinion of respondents.

#### **4.6.3 Mode**

The expectation mode values for tangibles, reliability, responsiveness, assurance and empathy are 3.00, 5.00, 4.00, 4.00 and 5.00, respectively. The expectation for tangibles has a mode value of 3.00, which indicates that 'Neutral' is the mode expectation of respondents. The expectations for reliability and empathy have a mode value of 5.00, which indicates that 'Strongly Agree' is the mode expectation of the respondents. The expectations for responsiveness and assurance have a mode value of 4.00, which indicates that 'Agree' is the mode expectation of the respondents.

The perception mode values for tangibles, reliability, responsiveness, assurance and empathy are 3.00, 3.00, 3.00, 3.00 and 3.00, respectively. The perceptions for tangibles, reliability, responsiveness, assurance, and empathy have a mode value 3.00, which indicates that 'Neutral' is the mode perception of respondents.

#### **4.6.4 Standard Deviation**

The expectations for tangibles, reliability, responsiveness, assurance, and empathy have standard deviations ranging from 0.769 to 0.870. The results reveal that these variables have differences in the respondents' expectations.

The perceptions for tangibles, reliability, responsiveness, assurance, and empathy have standard deviations ranging from 0.804 to 0.877. The results reveal that these variables have differences in the respondents' perceptions.

#### **4.6.5 Variance**

The expectations for tangibles, reliability, responsiveness, assurance, and empathy have variances ranging from 0.620 to 0.725, which reveal that these variables have variations in respondents' expectations.

The perceptions for tangibles, reliability, responsiveness, assurance, and empathy have variances ranging from 0.654 to 0.733, which reveal that these variables have variations in respondents' perceptions.

#### **4.6.6 Range**

The expectations for tangibles, reliability, responsiveness, assurance, and empathy have a range value of 4, which indicates that these variables have differences in the expectations of respondents, who have expressed all types of opinions towards the study questions.

The perceptions for tangibles, reliability, responsiveness, assurance, and empathy have a range value of 4, which indicates that these variables have differences in the perceptions of respondents, who have expressed all types of opinions towards the study questions.

#### **4.6.7 Minimum**

The expectations for tangibles, reliability, responsiveness, assurance, and empathy have a minimum value of 1, which indicates that respondents have an articulated minimum or least expectation of strongly disagree.

The perceptions for tangibles, reliability, responsiveness, assurance, and empathy have a minimum value of 1, which indicates that respondents have an articulated minimum or least perception of strongly disagree.

#### **4.6.8 Maximum**

The expectations for tangibles, reliability, responsiveness, assurance, and empathy have a maximum value of 5, which indicates that respondents have an articulated maximum or highest expectation of strongly agree.

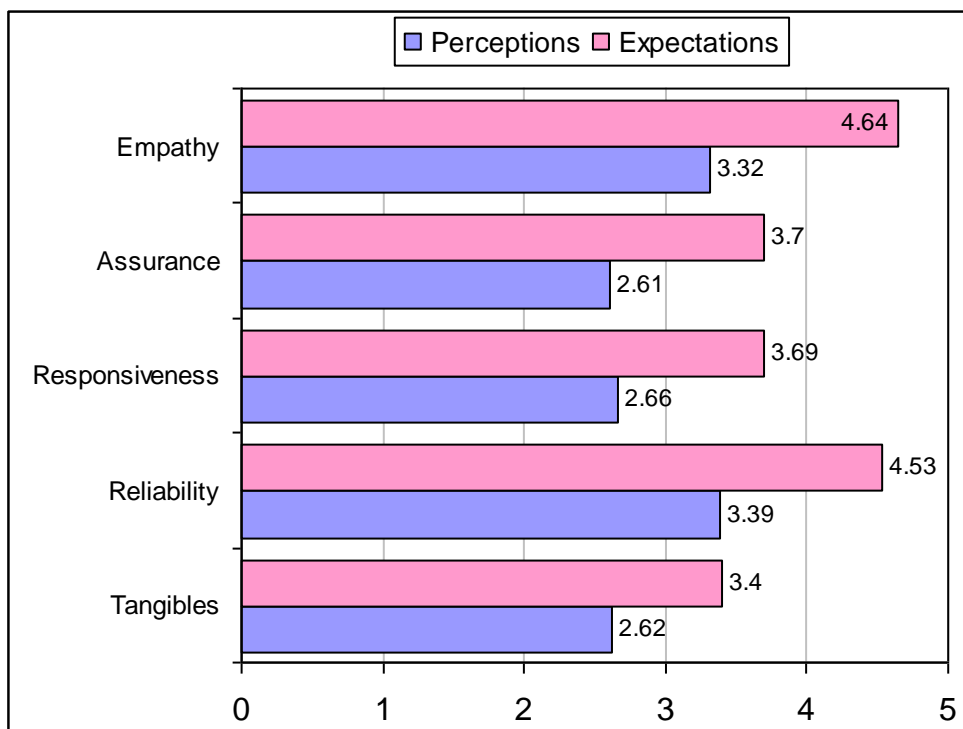


The perceptions for tangibles, reliability, responsiveness, assurance, and empathy have a maximum value of 5, which indicates that respondents have an articulated maximum or highest perception of strongly agree.

#### 4.7 GAP ANALYSIS

Figure 4.5 aims to determine the means gap between expectation and perception with regard to five service dimensions. The expectation mean values for tangibles, reliability, responsiveness, assurance and empathy are 3.40, 4.53, 3.69, 3.70 and 4.64, respectively. The perception mean values for tangibles, reliability, responsiveness, assurance and empathy are 2.62, 3.39, 2.66, 2.61 and 3.32, respectively.

**Figure 4.5: Comparison of quality dimension**



The research ascertained what customers perceive about GWM service centres. It also identified gaps between expectations and perceptions. The formula on perceived service quality, developed by Parasuraman *et al.*, (1985), was stated as follows:

$$Q (\text{Quality}) = P (\text{Perceptions}) - E (\text{Expectations})$$

Figure 4.5 shows the gap for tangibles is (2.62-3.4) -0.78, the gap for reliability is (3.39-4.53) -1.14, the gap for responsiveness is (2.66-3.69) -1.03, the gap for assurance is (2.61-3.7) -1.09, and the gap for empathy is (3.32-4.64) -1.32.

In examining the mean gap for service expectations and perceptions, it can be observed that 'tangibles' is the lowest (-0.78). This finding does not imply that 'tangibles' is not important. This finding simply means that the 'tangibles' dimension is relatively less important in comparison with the other dimensions of service quality that the respondents were asked in the survey. The dimension of 'empathy' produced the largest gap (-1.32).

### **Factor 1: Tangibles**

The gap for tangibles is lowest. This finding indicates that customers of GWM service centres are unsatisfied with tangibles of GWM service centres. The score for tangibles expectation is 3.4, which is a moderate level of expectation on a scale of 1 to 5. The score for the tangibles perceptions is below 4, indicating a low perception towards tangibles.

Chapter 2 stated that the physical environment, along with the goods, can be seen as a tangible element. The design of the external and internal building can be used by customers to compare the quality of service from one organisation to another.

### **Factor 2: Reliability**

The perception in terms of reliability was moderate at 3.39. However, the level of expectation is high at 4.53 in terms of reliability. This dimension effectively measures the timelines to solving and giving attention to customers' problems. The average score for this dimension was 4.53 for expected values. These scores for this dimension mean that customers expect GWM service centres to strive for quality, be accurate in their work and meet deadlines when promised.

As discussed in chapter 2, the reliability dimension means that the customer can have

confidence with the service being provided, and with getting what was promised.

### **Factor 3: Responsiveness**

This dimension measures the responses to customers' queries/requests. The average score for this dimension was 3.69 for expected values. The score for responsiveness is 3.69 for expectations which indicate a high degree of expectation with regards to responsiveness. The score implied that customers want good service promptly. The score for perceptions was 2.66 which indicates a low level of perception towards responsiveness.

As described in chapter 2, responsiveness is the willingness to help customers and to provide prompt service. Promptness also captures the notion of flexibility and the ability to customise the service to customer needs.

### **Factor 4: Assurance**

The score for assurance is 3.70 for expectations which indicates a high degree of expectation with regards to Assurance. As employees are at the touch-points (coal-face) of interaction, the demeanour and deliverable service of the employees were of utmost importance. The score for perceptions is 2.66 which indicates a low level of perception towards responsiveness. The indication is that although the staff are meeting some assurance criteria, they are also falling short in others. In particular, the behaviour and the extent to which staff were knowledgeable needed to be examined.

Chapter 2 indicated that assurance is the ability of the company and its employees to inspire trust and confidence in what they do. Staff should be sincere and trustworthy, in order to build long-lasting relationships with their customers.

### **Factor 5: Empathy**

The score for empathy is 4.64 for expectations which indicates an extremely high degree of expectation with regards to empathy. The score for perceptions is 3.32 which indicates a low level of perception towards empathy. The dimension of empathy is the largest gap. The attention given to customers' needs to be addressed.

As discussed in chapter 2, empathy implies that employees will pay attention, listen, adapt and be flexible in delivering what individual customers need. The empathy dimension refers to the level of the firm-specific service knowledge and care. The level of care will also have a positive impact on the customer satisfaction level.

#### 4.8 COMPARISON BETWEEN EXPECTATIONS AND PERCEPTIONS

The data in Table 4.8 reflects the comparison between expectations' and perceptions' dimensions using the Wilcoxon Signed Ranked Test. The results were as follows:

**Table 4.8: Comparison between expectations and perceptions**

	Wilcoxon Signed Ranks Test			
	N	Mean Rank	z	p
Tangibles - Expectations	375	181.97	-13.885	.000
Tangibles - Perceptions	375	98.54		
Reliability - Expectations	375	189.49	-16.030	.000
Reliability - Perceptions	375	43.60		
Responsiveness - Expectations	375	184.76	-15.754	.000
Responsiveness - Perceptions	375	56.20		
Assurance - Expectations	375	188.85	-15.823	.000
Assurance - Perceptions	375	49.31		
Empathy - Expectations	375	183.43	-15.893	.000
Empathy - Perceptions	375	70.57		

- There is a significant difference between expectations and perceptions with regards to the dimension of tangibles at the 95% level. The p value is 0.000 which is less than 0.05. The mean rank (181.97) of expected tangibles is a higher score than the mean rank (98.54) of perceived tangibles;
- There is a significant difference between expectations and perceptions with

regards to the dimension of reliability at the 95% level. The p value is 0.000 which is less than 0.05. The mean rank (189.49) of expected reliability is a higher score than the mean rank (43.60) of perceived reliability;

- There is a significant difference between expectations and perceptions with regards to the dimension of responsiveness at the 95% level. The p value is 0.000 which is less than 0.05. The mean rank (184.76) of expected responsiveness is a higher score than the mean rank (56.20) of perceived responsiveness;
- There is a significant difference between expectations and perceptions with regards to the dimension of assurance at the 95% level. The p value is 0.000 which is less than 0.05. The mean rank (188.85) of expected assurance is a higher score than the mean rank (49.31) of perceived assurance; and
- There is a significant difference between expectations and perceptions with regards to the dimension of empathy at the 95% level. The p value is 0.000 which is less than 0.05. The mean rank (183.43) of expected tangibles is a higher score than the mean rank (70.57) of perceived tangibles.

#### **4.9 RELATIONSHIP BETWEEN EACH DIMENSION AND GENDER**

Mann-Whitney U tests were computed to determine differences in means between male and female.

The data in Table 4.9 reflects the comparison between the five expectations dimensions and gender using the Mann-Whitney t-Test. The results were as follows:

- There is no significant difference between tangibles-expectations and gender at the 95% level. The p value is 0.554 which is greater than 0.05. Therefore, tangibles of expectations and gender are not related;
- There is no significant difference between reliability-expectations and gender at the 95% level. The p value is 0.381 which is greater than 0.05. therefore, reliability of expectations and gender are not related;
- There is no significant difference between responsiveness-expectations and gender at the 95% level. The p value is 0.563 which is greater than 0.05.

Therefore, responsiveness of expectations and gender are not related;

- There is no significant difference between assurance-expectations and gender at the 95% level. The p value is 0.282 which is greater than 0.05. Therefore, assurance of expectations and gender are not related; and
- There is no significant difference between empathy-expectations and gender at the 95% level. The p value is 0.537 which is greater than 0.05. Therefore, empathy of expectations and gender are not related.

**Table 4.9: Comparison between males and females**

	Gender	N	Mean	Mean Rank	Mann-Whitney U	Z	p
Tangibles - Expectations	Male	319	3.39	186.62	8493.000	-.592	.554
	Female	56	3.47	195.84			
	Total	375	3.40				
Reliability - Expectations	Male	319	4.54	190.03	8283.500	-.875	.381
	Female	56	4.46	176.42			
	Total	375	4.53				
Responsiveness - Expectations	Male	319	3.69	189.34	8505.000	-.578	.563
	Female	56	3.63	180.38			
	Total	375	3.69				
Assurance - Expectations	Male	319	3.71	190.49	8137.500	-1.076	.282
	Female	56	3.62	173.81			
	Total	375	3.70				
Empathy - Expectations	Male	319	4.63	186.57	8474.500	-.618	.537
	Female	56	4.68	196.17			
	Total	375	4.64				
Tangibles - Perceptions	Male	319	2.62	188.58	8746.000	-.251	.802
	Female	56	2.60	184.68			
	Total	375	2.62				
Reliability - Perceptions	Male	319	3.40	188.38	8810.500	-.164	.870
	Female	56	3.37	185.83			
	Total	375	3.39				
Responsiveness - Perceptions	Male	319	2.66	187.07	8635.000	-.401	.688
	Female	56	2.68	193.30			
	Total	375	2.66				
Assurance - Perceptions	Male	319	2.63	190.74	8059.000	-1.180	.238
	Female	56	2.53	172.41			

	Total	375	2.61				
Empathy - Perceptions	Male	319	3.34	191.76	7731.000	-1.620	.105
	Female	56	3.19	166.55			
	Total	375	3.32				

The data in Table 4.9 reflects the comparison between five perceptions' dimensions and gender using the Mann-Whitney t-Test. The results were as follows:

- There is no significant difference between tangibles-perceptions and gender at the 95% level. The p value is 0.802 which is greater than 0.05. Therefore, tangibles of perceptions and gender are not related;
- There is no significant difference between reliability-perceptions and gender at the 95% level. The p value is 0.870 which is greater than 0.05. Therefore, reliability of perceptions and gender are not related;
- There is no significant difference between responsiveness-perceptions and gender at the 95% level. The p value is 0.688 which is greater than 0.05. Therefore, responsiveness of perceptions and gender are not related;
- There is no significant difference between assurance-perceptions and gender at the 95% level. The p value is 0.238 which is greater than 0.05. Therefore, assurance of perceptions and gender are not related; and
- There is no significant difference between empathy-perceptions and gender at the 95% level. The p value is 0.105 which is greater than 0.05. Therefore, empathy of perceptions and gender are not related.

The results in Table 4.9 indicates that there are no significant differences between male and female respondents with regards to each of the dimensions relating to expectations and perceptions at the 95% level ( $p \geq 0.05$ ). Both male and female respondents do not differ in terms of their level of expectations and perceptions with regards to each of the dimensions.

#### **4.10 RELATIONSHIP BETWEEN EACH DIMENSION AND AGE GROUPS**

Kruskal-Wallis ANOVA was computed to determine differences in means between

age groups.

The data in Table 4.10 reflects the comparison between five expectations' dimensions and age groups using the Kruskal-Wallis ANOVA. The results were as follows:

- There is no significant difference between tangibles-expectations and age groups at the 95% level. The p value is 0.320 which is greater than 0.05. Therefore, tangibles of expectations and age groups are not related;

**Table 4.10: Comparison between age groups**

		Kruskal-Wallis ANOVA test					
Age	N	Mean	Mean Rank	Chi-Square	df	p	
Tangibles - Expectations	Under 20	19	3.32	175.08	3.503	3	.320
	20 to 39	219	3.45	196.65			
	40 to 59	123	3.34	176.90			
	60 and above	14	3.30	167.82			
	Total	375	3.40				
Reliability - Expectations	Under 20	19	4.54	187.66	11.506	3	.009*
	20 to 39	219	4.48	178.34			
	40 to 59	123	4.65	211.60			
	60 and above	14	4.27	132.21			
	Total	375	4.53				
Responsiveness - Expectations	Under 20	19	3.75	196.29	3.141	3	.370
	20 to 39	219	3.71	195.31			
	40 to 59	123	3.63	174.61			
	60 and above	14	3.66	180.07			
	Total	375	3.69				
Assurance - Expectations	Under 20	19	3.80	207.66	2.428	3	.488
	20 to 39	219	3.70	188.63			
	40 to 59	123	3.70	188.19			
	60 and above	14	3.48	149.86			
	Total	375	3.70				



		Kruskal-Wallis ANOVA test					
	Age	N	Mean	Mean Rank	Chi-Square	df	p
Empathy - Expectations	Under 20	19	4.64	190.42	1.799	3	.615
	20 to 39	219	4.67	193.67			
	40 to 59	123	4.59	179.69			
	60 and above	14	4.55	169.00			
	Total	375	4.64				
Tangibles - Perceptions	Under 20	19	2.57	179.55	.592	3	.898
	20 to 39	219	2.63	188.16			
	40 to 59	123	2.62	191.02			
	60 and above	14	2.54	170.43			
	Total	375	2.62				
Reliability - Perceptions	Under 20	19	3.18	144.89	3.823	3	.281
	20 to 39	219	3.39	186.95			
	40 to 59	123	3.43	196.30			
	60 and above	14	3.41	189.93			
	Total	375	3.39				
Responsiveness - Perceptions	Under 20	19	2.68	196.18	.150	3	.985
	20 to 39	219	2.66	187.90			
	40 to 59	123	2.65	187.54			
	60 and above	14	2.71	182.54			
	Total	375	2.66				
Assurance - Perceptions	Under 20	19	2.79	232.16	4.399	3	.221
	20 to 39	219	2.63	189.76			
	40 to 59	123	2.57	180.31			
	60 and above	14	2.52	168.07			
	Total	375	2.61				
Empathy - Perceptions	Under 20	19	3.25	171.37	.990	3	.804
	20 to 39	219	3.32	188.47			
	40 to 59	123	3.31	187.37			
	60 and above	14	3.43	208.82			
	Total	375	3.32				

\* significant at 0.05 level

- There is a significant difference between reliability-expectations and age groups at the 95% level. The p value is 0.009 which is less than 0.05. The mean value

and mean rank value of under 20 age group are 4.54 and 187.66, respectively. The mean value and mean rank value of 20-39 age groups are 4.48 and 178.34, respectively. The mean value and mean rank value of 40-59 age groups are 4.65 and 211.60, respectively. The mean value and mean rank value of 60 and above age group are 4.27 and 132.21, respectively. Respondents in the 40-59 age groups have the highest score for reliability-expectations, while those in the 60 and above age group have the lowest scores. Therefore, reliability of expectations and age groups are related;

- There is no significant difference between responsiveness-expectations and age groups at the 95% level. The p value is 0.370 which is greater than 0.05. Therefore, responsiveness of expectations and age groups are not related;
- There is no significant difference between assurance-expectations and age groups at the 95% level. The p value is 0.488 which is greater than 0.05. Therefore, assurance of expectations and age groups are not related; and
- There is no significant difference between empathy-expectations and age groups at the 95% level. The p value is 0.615 which is greater than 0.05. Therefore, empathy of expectations and age groups are not related.

The data in Table 4.10 reflects the comparison between five perceptions' dimensions and age groups using the Kruskal-Wallis ANOVA. The results were as follows:

- There is no significant difference between tangibles-perceptions and age groups at the 95% level. The p value is 0.898 which is greater than 0.05. Therefore, tangibles of perceptions and age groups are not related;
- There is no significant difference between reliability-perceptions and age groups at the 95% level. The p value is 0.281 which is greater than 0.05. Therefore, reliability of perceptions and age groups are not related;
- There is no significant difference between responsiveness-perceptions and age groups at the 95% level. The p value is 0.985 which is greater than 0.05. Therefore, responsiveness of perceptions and age groups are not related;
- There is no significant difference between assurance-perceptions and age groups

at the 95% level. The p value is 0.221 which is greater than 0.05. Therefore, assurance of perceptions and age groups are not related; and

- There is no significant difference between empathy-perceptions and age groups at the 95% level. The p value is 0.804 which is greater than 0.05. Therefore, empathy of perceptions and age groups are not related.

The results in Table 4.10 indicate a significant difference in reliability – expectations at the 95% level ( $p \leq 0.05$ ). Respondents in the 40-59 age groups have the highest score for reliability-expectations, while those in the 60 and above age group have the lowest scores. There are no differences with regards to the other dimensions relating to expectations and perceptions at the 95% level ( $p \geq 0.05$ ).

#### **4.11 RELATIONSHIP BETWEEN EACH DIMENSION AND AREAS**

Kruskal-Wallis ANOVA was computed to determine differences in means between areas.

The data in Table 4.11 reflects the comparison between five expectations' dimensions and areas using the Kruskal-Wallis ANOVA. The results were as follows:

- There is no significant difference between tangibles-expectations and areas at the 95% level. The p value is 0.675 which is greater than 0.05. Therefore, tangibles of expectations and areas are not related;
- There is no significant difference between reliability-expectations and areas at the 95% level. The p value is 0.355 which is greater than 0.05. Therefore, reliability of expectations and areas are not related;
- There is a significant difference between responsiveness-expectations and areas at the 95% level. The p value is 0.007 which is less than 0.05. The mean value and mean rank value of the Durban area are 3.65 and 177.58, respectively. The mean value and mean rank value of South African, but not from Durban area are 3.76 and 207.49, respectively. The mean value and mean rank value of Other African

countries are 3.66 and 190.19, respectively. The mean value and mean rank value of Overseas, non-African country are 4.00 and 260.38, respectively. Overseas respondents have the highest score while those in the Durban area have the lowest scores. Therefore, responsiveness of expectations and areas are related;

- There is no significant difference between assurance-expectations and areas at the 95% level. The p value is 0.252 which is greater than 0.05. Therefore, assurance of expectations and areas are not related; and
- There is no significant difference between empathy-expectations and areas at the 95% level. The p value is 0.480 which is greater than 0.05. Therefore, empathy of expectations and areas are not related.

**Table 4.11: Comparison between areas**

		Kruskal-Wallis ANOVA test					
Area		N	Mean	Mean Rank	Chi-Square	df	p
Tangibles Expectations	- Durban area	257	3.41	187.74	1.531	3	.675
	South African, but not from Durban area	75	3.41	192.66			
	Other African countries	27	3.26	167.48			
	Overseas, non-African country	16	3.52	205.03			
	Total	375	3.40				
Reliability Expectations	- Durban area	257	4.50	182.33	3.247	3	.355
	South African, but not from Durban area	75	4.58	193.45			
	Other African countries	27	4.66	216.69			
	Overseas, non-African country	16	4.59	205.13			
	Total	375	4.53				
Responsiveness Expectations	- Durban area	257	3.65	177.58	12.269	3	.007*
	South African, but not from Durban area	75	3.76	207.49			
	Other African countries	27	3.66	190.19			
	Overseas, non-African country	16	4.00	260.38			
	Total	375	3.69				
Assurance Expectations	- Durban area	257	3.73	194.62	4.085	3	.252
	South African, but not from Durban area	75	3.60	166.49			
	Other African countries	27	3.67	183.04			
	Overseas, non-African country	16	3.77	190.84			
	Total	375	3.70				
Empathy	- Durban area	257	4.65	191.70	2.477	3	.480

Expectations							
	South African, but not from Durban area	75	4.58	176.87			
	Other African countries	27	4.57	170.74			
	Overseas, non-African country	16	4.78	209.88			
	Total	375	4.64				
Tangibles Perceptions	- Durban area	257	2.61	184.95	3.337	3	.342
	South African, but not from Durban area	75	2.68	201.86			
	Other African countries	27	2.66	198.70			
	Overseas, non-African country	16	2.47	154.03			
	Total	375	2.62				
Reliability Perceptions	- Durban area	257	3.38	185.40	.710	3	.871
	South African, but not from Durban area	75	3.44	194.58			
	Other African countries	27	3.43	197.93			
	Overseas, non-African country	16	3.34	182.19			
	Total	375	3.39				
Responsiveness Perceptions	- Durban area	257	2.67	189.67	2.335	3	.506
	South African, but not from Durban area	75	2.64	183.26			
	Other African countries	27	2.56	167.96			
	Overseas, non-African country	16	2.80	217.16			
	Total	375	2.66				
Assurance Perceptions	- Durban area	257	2.61	187.30	1.221	3	.748
	South African, but not from Durban area	75	2.63	193.71			
	Other African countries	27	2.56	170.48			
	Overseas, non-African country	16	2.67	202.06			
	Total	375	2.61				
Empathy Perceptions	- Durban area	257	3.33	190.33	.450	3	.930
	South African, but not from Durban area	75	3.28	181.03			
	Other African countries	27	3.29	186.54			

Overseas, non-African country	16	3.31	185.69			
Total	375	3.32				

\* significant at 0.05 level

The data in Table 4.11 reflects the comparison between five perceptions' dimensions and areas using the Kruskal-Wallis ANOVA. The results were as follows:

- There is no significant difference between tangibles-perceptions and areas at the 95% level. The p value is 0.342 which is greater than 0.05. Therefore, tangibles of perceptions and areas are not related;
- There is no significant difference between reliability-perceptions and areas at the 95% level. The p value is 0.871 which is greater than 0.05. Therefore, reliability of perceptions and areas are not related;
- There is no significant difference between responsiveness-perceptions and areas at the 95% level. The p value is 0.506 which is greater than 0.05. Therefore, responsiveness of perceptions and areas are not related;
- There is no significant difference between assurance-perceptions and areas at the 95% level. The p value is 0.748 which is greater than 0.05. Therefore, assurance of perceptions and areas are not related; and
- There is no significant difference between empathy-perceptions and areas at the 95% level. The p value is 0.930 which is greater than 0.05. Therefore, empathy of perceptions and areas are not related.

The results in Table 4.11 indicate a significant difference in responsiveness–expectations at the 95% level ( $p \leq 0.05$ ). Overseas respondents have the highest score, while those in the Durban area have the lowest scores. There are no differences with regards to the other dimensions relating to expectations and perceptions at the 95% level ( $p > 0.05$ ).

#### **4.12 RELATIONSHIP BETWEEN EACH DIMENSION AND REASONS FOR**

## PURCHASING VEHICLES

Mann-Whitney U tests were computed to determine the differences in means between the private buyer and the business buyer.

**Table 4.12: Comparison between Private and Business reasons**

		Mann-Whitney t Test					
	Reason for purchasing vehicle	N	Mean	Mean Rank	Mann-Whitney U	Z	p
Tangibles - Expectations	Private	150	3.44	194.04	15969.500	-.889	.374
	Business	225	3.37	183.98			
	Total	375	3.40				
Reliability Expectations	Private	150	4.56	196.22	15641.500	-1.212	.226
	Business	225	4.51	182.52			
	Total	375	4.53				
Responsiveness Expectations	Private	150	3.70	188.97	16729.000	-.144	.886
	Business	225	3.68	187.35			
	Total	375	3.69				
Assurance Expectations	Private	150	3.66	180.72	15783.500	-1.075	.282
	Business	225	3.73	192.85			
	Total	375	3.70				
Empathy - Expectations	Private	150	4.70	200.64	14978.500	-1.864	.062
	Business	225	4.60	179.57			
	Total	375	4.64				
Tangibles - Perceptions	Private	150	2.62	189.62	16632.000	-.239	.811
	Business	225	2.62	186.92			
	Total	375	2.62				
Reliability - Perceptions	Private	150	3.36	181.32	15873.000	-.984	.325
	Business	225	3.42	192.45			
	Total	375	3.39				
Responsiveness Perceptions	Private	150	2.62	183.62	16218.500	-.645	.519
	Business	225	2.69	190.92			
	Total	375	2.66				



Assurance - Perceptions	Private	150	2.61	187.99	16873.000	-.002	.998
	Business	225	2.62	188.01			
	Total	375	2.61				
Empathy - Perceptions	Private	150	3.28	177.49	15298.000	-1.547	.122
	Business	225	3.35	195.01			
	Total	375	3.32				

The data in Table 4.12 reflects the comparison between five expectations' dimensions and reasons for purchasing vehicles using the Mann-Whitney t-Test. The results were as follows:

- There is no significant difference between tangibles-expectations and reasons for purchasing vehicle at the 95% level. The p value is 0.374 which is greater than 0.05. Therefore, tangibles of expectations and reasons for purchasing vehicle are not related;
- There is no significant difference between reliability-expectations and reasons for purchasing vehicle at the 95% level. The p value is 0.226 which is greater than 0.05. Therefore, reliability of expectations and reasons for purchasing vehicle are not related;
- There is no significant difference between responsiveness-expectations and reasons for purchasing vehicle at the 95% level. The p value is 0.886 which is greater than 0.05. Therefore, responsiveness of expectations and reasons for purchasing vehicle are not related;
- There is no significant difference between assurance-expectations and reasons for purchasing vehicle at the 95% level. The p value is 0.282 which is greater than 0.05. Therefore, assurance of expectations and reasons for purchasing vehicle are not related; and
- There is no significant difference between empathy-expectations and reasons for purchasing vehicle at the 95% level. The p value is 0.062 which is greater than 0.05. Therefore, empathy of expectations and reasons for purchasing vehicle are not related.

The data in Table 4.12 reflects the comparison between five perceptions' dimensions and reasons for purchasing vehicles using the Mann-Whitney t-Test. The results were as follows:

- There is no significant difference between tangibles-perceptions and reasons for purchasing vehicle at the 95% level. The p value is 0.811 which is greater than 0.05. Therefore, tangibles of perceptions and reasons for purchasing vehicle are not related;
- There is no significant difference between reliability-perceptions and reasons for purchasing vehicle at the 95% level. The p value is 0.325 which is greater than 0.05. Therefore, reliability of perceptions and reasons for purchasing vehicle are not related;
- There is no significant difference between responsiveness-perceptions and reasons for purchasing vehicle at the 95% level. The p value is 0.519 which is greater than 0.05. Therefore, responsiveness of perceptions and reasons for purchasing vehicle are not related;
- There is no significant difference between assurance-perceptions and reasons for purchasing vehicle at the 95% level. The p value is 0.998 which is greater than 0.05. Therefore, assurance of perceptions and reasons for purchasing vehicle are not related; and
- There is no significant difference between empathy-perceptions and reasons for purchasing vehicle at the 95% level. The p value is 0.122 which is greater than 0.05. Therefore, empathy of perceptions and reasons for purchasing vehicle are not related.

The results in Table 4.12 indicate that there are no differences between the private-use and business-use buyers with regards to their levels of expectations or perceptions relating to each of the dimensions at the 95% level ( $p \geq 0.05$ ).

#### **4.13 CONCLUSION**

This chapter has presented the analysis of the data gathered in the research study. The results have been presented in the form of graphs and tables which help to provide a detailed analysis. Moreover, the results have identified significant relationships and differences between the variables of the study, and also point out area. The next chapter will present the conclusions and recommendations of the study and the scope for further research.

## **CHAPTER FIVE**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

The previous chapter discussed the statistical of the survey. This chapter discusses in-depth results and findings in respect of the objectives of the study. Based on the results obtained in the study, recommendations for customer service quality improvement are presented. Finally, recommendations are offered for future research.

#### **5.2 SUMMARY OF THE STUDY**

##### **5.2.1 The Findings on the Objectives**

The purpose of the study is to investigate customer perceptions of service quality at GWM service centres in the greater Durban area. The results of the relevant research questions are presented with conclusions based on the findings discussed in chapter 4. The research on measuring service quality has focused primarily on how to meet or exceed customers' expectations and has viewed service quality as a measure of how the delivered service level matches consumers' expectations. The concept of measuring the difference between expectations and perceptions in the form of the SERVQUAL gap score proved useful for assessing levels of service quality.

**Objective 1:** To identify customers' expectations in terms of quality services provided.

Expectations are formed before purchasing the service. GWM service centres need to be aware of customers' expectations and strive to meet or exceed them. Chapter 4 has reported empirical findings from the questionnaires. The results have shown that respondents' expectations about the services they received from GWM service centres exceeded their perceptions. Thus improvements are needed across all five dimensions. The gaps in all the dimensions presented a challenge for the staff and management of GWM service centres who are expected to offer their customers excellent services at all times. If the expectations are greater than perceptions, then the perceived quality is less than satisfactory and, hence, customer dissatisfaction occurs.

**Objective 2:** To ascertain the perception of customers towards the service provided by GWM service centres.

Perceptions become an influential factor when measuring customers' satisfaction with the service they receive. Perceptions are considered relative to expectations. Customers perceive service in terms of the quality of the service they receive and whether or not they are satisfied with their experiences. GWM service centres know that if their customers do not enjoy the experience, do not value it, and do not think it meets their needs and expectations, they will not return. According to the empirical findings in chapter 4, all the items in the dimensions indicate negative responses, as the expectations exceed perceptions of GWM service centres. The results imply that the respondents were dissatisfied with the perceived service provided by GWM service centres.

**Objective 3:** To identify the gaps between the five SERVQUAL dimensions.

The research on measuring service quality has focused primarily on how to meet or exceed customers' expectations and has viewed service quality as a measure of how the delivered service level matches customers' expectations. The concept of

measuring the difference between expectations and perceptions in the form of the SERVQUAL gap score proved useful in assessing levels of service quality. Chapter 4 reported the empirical findings. The results demonstrated that, in each of the five SERVQUAL dimensions, there was a negative quality gap. The empathy dimension showed that the largest gap, closely followed by the reliability, assurance, responsiveness and tangibles dimensions, respectively.

### **5.2.2 The Findings on the Five SERVQUAL Dimensions**

The tangibles dimension hold the smallest gap score (-0.78). This finding indicates that customers of GWM service centres are dissatisfied with tangibles for GWM service centres. The score for tangibles' expectation is 3.4 which is a moderate level of expectation on a scale of 1 to 5. The score for tangibles perceptions is below 4 indicating a low perception towards tangibles. This finding means that management has to upgrade the equipment, replace the physical facilities and increase materials so that GWM service centres can provide efficient service to customers.

The reliability dimension refers to the company's ability to provide the promised service in a precise and reliable manner. Reliability is the most important service dimension from a customer's point of view. The perception in terms of reliability was moderate at 3.39. However, the level of expectation is high at 4.53 in terms of reliability. The gap score is -1.14. The findings implied that GWM service centres should improve their systems to develop processes for monitoring as well as control policies and engage in two-way communication so that they are able to provide the promised service in a precise and reliable manner.

The responsiveness dimension refers to the company's willingness to help the customers and to provide prompt service. The average score for this dimension was 3.69 for expected values. The score for perceptions is 2.66 which indicated a low level of perception towards of responsiveness. The gap score is -1.03. For GWM service centres to improve on the responsiveness dimension, the company needs to

have a well-staffed, knowledgeable customer service department, with responsive front-line staff in all contact positions, and promptness in dealing with customer's requests, complaints and problems.

The assurance dimension refers to the knowledge and courtesy of employees and their ability to inspire trust and confidence as well as their service effectiveness. The score for assurance is 3.70 for expectations. The score for perceptions is 2.66. The gap score is -1.04. To reduce the gap, GWM service centres should improve knowledge and skill of employees for meeting customers' expectations.

The empathy dimension emerged as the largest quality gap score (-1.32). This dimension refers to the level of the firm's specific service knowledge and care. The score for empathy is 4.64 for expectations, which indicate an extremely high degree of expectation with regards to empathy. The GWM service centres need to focus on improving service quality by giving their customers more individual attention and ensuring that employees always perform effectively the service and successfully communicate with the customers to meet their expectations.

### **5.3 Demographic factors and service quality**

#### **5.3.1 Gender**

The analysed results showed that male customers frequently drove more of the GWM vehicle than females. The results in chapter 4 indicated that females and males have similar opinions towards expectations and perceptions of GWM service centres. Both male and female respondents do not differ significantly in terms of their level of expectations and perceptions with regards to each of the dimensions.

#### **5.3.2 Age Groups**

The study showed that the majority of customers are aged between 20-39 years. The research results also indicated a significant difference in the reliability-expectations dimension. Respondents in the 40-59 age groups have the highest score for

reliability-expectations, while those in the 60 and above age group have the lowest scores.

### **5.3.3 Regional Distribution**

The findings in the ANOVA test indicated a significant difference in the responsiveness–expectations dimensions. Overseas respondents have the highest score, while those in the Durban area have the lowest scores.

### **5.3.4 Reason for Purchasing Vehicles**

The results showed the private buyers and business buyers have similar opinions towards expectations and perceptions of GWM service centres. There were no differences between the private-use and business-use buyers with regards to their levels of expectations or perceptions relating to each of the dimensions

## **5.4 KEY RECOMMENDATIONS TO IMPROVE SERVICE QUALITY**

Based on the research findings, the following recommendations are made:

- Management of GWM service centres should focus attention and resources on the purchase of new equipment and ensure that the facilities that customers utilise are well maintained and visually appealing;
- The GWM service centres should increase printed material to introduce the product and service of GWM;
- Staff of GWM service centres should be trained as service quality programmers, through e.g., customers’ service improvement workshops, product knowledge workshops, communication workshops and interpersonal skills workshops;
- Management of GWM service centres should ensure that appropriate feedback mechanisms are in place to check deadlines promised to customers, carrying out promises timeously as well as sincerity shown by staff to solve customers’ problems;
- Greater confidence has to be inspired in the customer, by providing up-to-date, unquestionable, professionally correct, fast information and help needs to be provided to them in every situation, also paying attention to the customer;

- Management of GWM service centres need to create means to collect and assess customer attitudes, expectations, needs and opinions. Customers need to be involved in the development and amendment of services. Employees should encourage customer complaints and react to the problems identified;
- Management of GWM service centres should clarify tasks of all personnel and find a solution, where necessary, and deal with tasks without interfering with quality performance;
- Management of GWM service centres should make proper changes to technology and systems so that they are supportive of the execution of the quality specifications;
- The GWM service centres should have measures of performance based on rigid measures of customer satisfaction. The measures should be regularly monitored and fed back to all internal suppliers and customers and a system of planning put in place to close all gaps between actual performance and expectations;
- Timely and accurate data are a prerequisite of effective, quality-related decision-making. Quality information systems and quality databases need to be developed further in order to facilitate this accuracy. Feedback of internal and external data is a key issue;
- Most quality service problems are caused by poor communications. The GWM service centres need to develop effective methods and channels which encourage open and honest communication between employees at all levels and customers; and
- The GWM service centres should invest to train employees at all levels in the improvement of skills in order to facilitate changes in behaviour and attitude.

## **5.5 LIMITATIONS**

As with all empirical studies, the present research had certain limitations:

- The data were gathered in a specific geographic area of the greater Durban area. As a result, the study may have contained some information and results that can be specific only for the Durban market. Hence, the results of this study cannot be



generalized;

- The results of this study may not have been representative of the whole population, due to the fact that a quota sampling method was used to collect the data; and
- The study is limited to only GWM service centres and cannot be generalised across the different vehicle service centres.

## **5.6 RECOMMENDATIONS FOR FUTURE STUDY**

- To continue focusing on gaps variation of GWM service centres;
- To focus on different vehicle service centres, such as VW service centres, TOYOTA service centres, and BMW service centres;
- To transfer to other dimensions, such as marketing communication, channel, and price strategy; and
- To collect sampling from different cities or countries.

## **5.7 CONCLUSION**

Overall, this study has highlighted customer service quality at GWM service centres in the greater Durban area. In conclusion, knowing how customers perceive service quality and being able to measure service quality can benefit the GWM service centres. The measurement of service quality can provide specific data that can be used in quality management. Hence, the GWM service centres would be able to monitor and maintain quality service. By assessing service quality and better understanding how various dimensions affect overall service quality, the GWM service centres would be able to efficiently devise the service-delivery process. Also, by identifying strengths and weaknesses pertaining to the dimensions of service quality, the GWM service centres can better allocate resources to provide better service to customers.

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## **APPENDIX A**

### **LETTER OF CONSENT**

42 Cowey Road  
Morningside  
Durban  
4001

Dear Respondent

I am studying towards my Master of Technology Degree in Marketing at the Durban University of Technology (DUT). The title of my research project is Customer Service Quality at Great Wall Motor (GWM) Service Centres in the greater Durban area. I would appreciate your co-operation in completing this questionnaire.

The completion of the questionnaire should not take longer than 10 minutes of your time. I want to thank you in advance for your time. Please be assumed that your identity will remain anonymous and your responses will be kept confidential.

Participation in this research study is voluntary and you may withdraw from the study

at any time without providing a reason.

Your participation in this research is greatly appreciated.

Yours faithfully

Yue Yin

**APPENDIX B**  
**QUESTIONNAIRE**  
**SECTION A: Demographics**

1. Please indicate your **gender**.

Male	
Female	

2. Please indicate your **age**.

Under 20	
20 to 39	
40 to 59	
60 and above	

3. Please indicate **where you are from**.

Durban area	
South African, but not from Durban area	
Other African countries	
Overseas, i.e. non-African country	

4. Please indicate the **reason** for purchasing the vehicle.

Private	
Business	

**SECTION B: Expectations and Perceptions of Service Quality**

Please cross the number that truly reflects your feelings. Cross only one number for

each statement. Please remember to answer all questions. Rating guide is as follows:

<b>1</b>	<b>STRONGLY DISAGREE</b>
<b>2</b>	<b>DISAGREE</b>
<b>3</b>	<b>UNCERTAIN</b>
<b>4</b>	<b>AGREE</b>
<b>5</b>	<b>STRONGLY AGREE</b>

For each of the following statements, please indicate your level of agreement, as they apply to your expectations of Great Wall Motor (GWM) service centres.

Based on your experience as a customer of Great Wall Motor (GWM) service centres, please think about the kind of service that would deliver excellent quality

<b>EXPECTATIONS QUESTIONNAIRE</b>						
1	GWM service centres will have modern-looking equipment.	1	2	3	4	5
2	The physical facilities at GWM service centres will be visually appealing.	1	2	3	4	5
3	Employees at GWM service centres will be neat in appearance.	1	2	3	4	5
4	Materials associated with the service (pamphlets or statements) will be visually appealing at GWM service centres.	1	2	3	4	5
5	When GWM service centres promise to do something by a certain time, they will do so.	1	2	3	4	5
6	When customers have a problem, GWM service centres will show sincere interest in solving it.	1	2	3	4	5
7	GWM service centres will perform the service right the first time.	1	2	3	4	5
8	GWM service centres will provide their services at the time they promise to do so.	1	2	3	4	5
9	GWM service centres will insist on error-free records.	1	2	3	4	5
10	Employees at GWM service centres will tell customers exactly when services will be performed.	1	2	3	4	5
11	Employees at GWM service centres will give prompt service to customers.	1	2	3	4	5
12	Employees at GWM service centres will be always willing to help customers.	1	2	3	4	5
13	Employees at GWM service centres will be never too busy to respond to customers' requests.	1	2	3	4	5
14	The behaviour of employees at GWM service centres will instil confidence in customers.	1	2	3	4	5

15	Customers will feel safe in their transactions with GWM service centres.	1	2	3	4	5
16	Employees at GWM service centres will be consistently courteous with customers.	1	2	3	4	5
17	Employees at GWM service centres will have the knowledge to answer customers' questions.	1	2	3	4	5
18	GWM service centres will give customers individual attention.	1	2	3	4	5
19	GWM service centres will have convenient business hours.	1	2	3	4	5
20	GWM service centres will have employees who give customers personal attention.	1	2	3	4	5
21	GWM service centres will have the customers' best interests at heart.	1	2	3	4	5
22	Employees at GWM service centres will understand the specific needs of their customers.	1	2	3	4	5

For each of the following statements, please indicate your level of agreement, as they apply to your perceptions of Great Wall Motor (GWM) service centres.

PERCEPTIONS QUESTIONNAIRE						
1	GWM service centres have modern-looking equipment.	1	2	3	4	5
2	The physical facilities at GWM service centres are visually appealing.	1	2	3	4	5
3	Employees at GWM service centres are neat in appearance.	1	2	3	4	5
4	Materials associated with the service (pamphlets or statements) are visually appealing at GWM service centres.	1	2	3	4	5
5	When GWM service centres promise to do something by a certain time, they do so.	1	2	3	4	5
6	When customers have a problem, GWM service centres show sincere interest in solving it.	1	2	3	4	5
7	GWM service centres perform the service right the first time.	1	2	3	4	5
8	GWM service centres provide their services at the time they promise to do so.	1	2	3	4	5
9	GWM service centres insist on error-free records.	1	2	3	4	5
10	Employees at GWM service centres tell you exactly when services will be performed.	1	2	3	4	5

11	Employees at GWM service centres give you prompt service.	1	2	3	4	5
12	Employees at GWM service centres are always willing to help you.	1	2	3	4	5
13	Employees at GWM service centres will be never too busy to respond to your requests.	1	2	3	4	5
14	The behaviour of employees at GWM service centres instil confidence in you.	1	2	3	4	5
15	You will feel safe in your transactions with GWM service centres.	1	2	3	4	5
16	Employees at GWM service centres are consistently courteous with you.	1	2	3	4	5
17	Employees at GWM service centres have the knowledge to answer your questions.	1	2	3	4	5
18	GWM service centres give you individual attention.	1	2	3	4	5
19	GWM service centres have convenient business hours.	1	2	3	4	5
20	GWM service centres have employees who give you personal attention.	1	2	3	4	5
21	GWM service centres have your best interests at heart.	1	2	3	4	5
22	Employees at GWM service centres will understand your specific needs.	1	2	3	4	5

Thank you for participating in this research project.