



**Cape Peninsula  
University of Technology**

**YOUTH PERCEPTION OF SERVICE QUALITY OF LARGE FOOD RETAILERS IN  
THE CAPE METROPOLIS**

**By**

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**Thesis submitted in fulfillment of the requirements for the Master of  
Technology in Business Administration  
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## DECLARATION

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## **ABSTRACT**

Retailers (including food retailers) are facing challenging times due to the dynamic business environment. Increasing competition, uncertain economic environment. The sophistication of consumers has prompted retailers to improve not only their product offering but service quality too. Some food retailers, however, have gained a reputation for poor service quality. On the other hand, those food retailers providing high levels of service quality, warrant customer satisfaction and customer loyalty, and minimise customer defection, ultimately affecting positive profitability.

The youth is a significant market to target for any retailer. Retailers that can attract and muster support from the youth can build long term relationships that result in strong customer loyalty. For this study, second and third year retail students enrolled at a university of technology were deemed as the target population following the rationale that these students would be familiar with retail concepts and be conscious of service quality issues. The study aimed to measure youth perceptions of service quality of large food retailers in line with the dimensions of the Retail Service Quality Scale (RSQS). An online survey was employed via the university's intranet to where the youth customers were requested to rate their service quality perceptions of a large food retailer they frequented the most and to highlight areas of service quality that required attention.

The results were generally neutral, large food retailers were generally perceived as fairly providing quality service in some areas, though in other areas not so successful. The findings reveal that youth significantly felt personal interaction and physical aspects of the retailer was the most important service quality determinant. In particular, convenient shopping was paramount; and thereafter quality goods and services offered by the retailer. The study further showed that youth favoured service quality offered by retailers over the price of goods and services. Therefore, youth would remain loyal to their food retailers that provide satisfactory levels of service quality even if their prices were higher than their competitors' prices. Retailers that want to attract youth would need to improve the reliability dimension, which includes stock availability, and the service process relating to paying. The literature and the data collected provided the researcher with the opportunity to explore youth perceptions of service quality of food retailers in the Cape Metropolis.

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## CHAPTER ONE: INTRODUCTION TO THE STUDY

### 1.1 Introduction

Terblanche *et al.* (2013:6) and Brink posit that *quality* is an organisation's ability to meet or exceed customer expectations. In a retail context, customers assess their service encounter by comparing their service encounter to that of their beliefs. The consumer plays the prime role of deciding what quality is, as the customer's perceptions of that service are what his reality becomes.

*Perceptions* are the method by which people understand information to create a meaningful picture of the world; when shopping, these perceptions are the realities that customers live by (Boone and Kurtz, 2015:185; Kerin *et al.*, 2006:128). Also, *customer service* is the process of satisfying customers based on the customer's perceptions of his or her needs being satisfied (Odgers, 2008:06). The satisfaction is relative to the product or service meeting the needs of the customer with efficiency and empathy based on the customer's perceptual selectivity (Santouridis and Trivellas, 2010:335). This is the process of interpreting sensations and giving meaning to stimuli. These perceptions are informed by previous experiences and knowledge accumulated in the learning process; thus, interpretations of good quality service differ according to the understanding of the customer as to what good quality service consists of (Jahanshahi *et al.*, 2011:258).

Whilst customers buy goods from the hypermarkets at generally lower prices, service remains a component of the product. According to Dunne *et al.* (2014:483), customer service is all those activities performed by the retailer that influence: the ease with which a customer can shop or learn about the stores offering; the ease with which the transaction can be completed; and the overall satisfaction of the customer with the transaction. Similarly, Kotler and Armstrong (2016:13) observed that people do not buy goods and services alone, but rather they buy the complementary 'benefits' from the products and services. The purchase includes, together with the product, augmented product elements like information, personal attention and the facilities from which the product is offered.

Boone and Kurtz (2015:491) described *retailing activities* as involving the selling of goods or services to the ultimate or final consumer. Terblanche *et al.* (2013:03) concurred with the above and defined retailing as sets of activities that are used in

the marketing of products and services to the final consumers. Dunne *et al.* (2013:03) quoted Warren Buffet as noting that, “*retailing has contributed more to the financial well-being of the American society than any institution or sector*”. Globally, retailing is therefore one of the largest business sectors, accounting for a significant proportion of the labour market (Levy and Weitz, 2010: 07).

However, Kumar *et al.* (2017:96) argued that the retail industry remains extremely competitive with an ever-changing business landscape due to low entry barriers, ever-changing consumer needs in view of excess information, and ongoing environmental changes. According to Boone *et al.* (2015:09), customers have become more sophisticated as they have access to more information through consumer advocacy groups, advertisements, internet, company sponsorships and numerous other marketing-related activities. The major factors influencing the increased competition in the retailing industry, according to Kerin *et al.* (2012: 450), include: the intense competition due to saturated markets; the continuous emergence of alternative retail formats; the use of e-commerce and automated vending; and direct selling.

For retailers to succeed, they must adapt to the ever-changing retailing environment (Dunne *et al.* 2013:483; Ogden and Ogden, 2005:06). The recurring global economic crises, coupled with local economic conditions, have posed significant challenges to the South African retail sector. Consequently, customers have more choices and retailers must compete to earn buyers’ business and loyalty (Szwarc, 2005:11). Moreover, customers are increasingly demanding higher levels of quality products and services (Odgers, 2008:09). Thus, providing good customer service is increasingly difficult for retailers because customers have become more vocal and insistent on demanding satisfaction and service quality (Ogden and Ogden, 2005:383) that meets their service expectations.

A further challenge for all retailers is that of retaining customers, keeping customers loyal to the business. According to Terblanche *et al.* (2013:372) and Raphel *et al.* (2005:08), on average businesses lose 20% of their customers per annum for one reason or another. In addition, Dunne *et al.* (2013:03) reflect that an average business loses about 50% of its customers every five years. Therefore, it is incumbent upon a business to actively seek new business and customers to replace those that have fallen away. However, the financial costs of marketing efforts for

establishing new customers are substantially greater than the costs of retaining existing customers (Brink *et al.*, 2004:34). From a strategic perspective, retailers can differentiate their products and services from that of the competitors by good customer service, appropriate products, affordable pricing and convenient location (Fraering and Minor, 2013:340).

Keevy (2011:03) argues that the long-term success of most retailers is largely influenced by consumer perceptions on the quality of their service. Therefore, to ensure retailer success, organisations need to differentiate from competitors by providing “high” service quality, not merely average (Hoffman and Bateson, 2016:333; Odgers, 2005:05). Additionally, retailers can also build a competitive advantage by offering excellent levels of customer service, as observed by Levy and Weitz (2012:157).

## **1.2 Problem statement**

Retailing is a highly competitive industry (Terblanche, 2015:315) and established retailers strive to provide both tangible products and a service component to enhance the overall consumer shopping experience. This service component is comprised of an assortment of variables, including the following; physical aspects, reliability, personal interaction, problem-solving, and store policy (Boone and Kurtz, 2015). While retailers are constantly striving to build a competitive advantage in offering both high-quality products and maintain excellent levels of customer service, maintaining the high levels of service quality is a constant challenge (Fernie *et al.*, 2015:243). The increased sophistication and ever-changing consumer needs in view of excess information access through consumer advocacy groups, advertisements, internet, and numerous other marketing-related activities and the ongoing environmental changes have significantly influenced consumer perceptions on quality (Keevy, 2011:02). Subsequently, this is affecting the long-term success of large food retailers.

Dunne *et al.* (2013:146) posit that the proper handling of customer complaints can bolster retail performance significantly. Most retailers encourage feedback from customers, including complaints, to ensure prompt retailer response for deterring negative word-of-mouth. They however continue to lose customers. Thus this study investigates the perception of service quality among the youth customers in food retailers. Understanding perception does not only ensure consumer loyalty, but also

positive word-of-mouth would be generated, which ultimately attracting new consumers.

Thus, based on the preceding discussion, empirical evidence was used in this study to investigate if *youth have different perceptions of service quality of large food retailers in the Cape Metropolis and what service quality determinants do they value more.*

### **1.3 Research purpose and objectives**

The purpose and objectives of this study are outlined below.

#### **1.3.1 Primary objective**

The main purpose of this study is to identify youth perceptions of service quality of large food retailers in the Cape Metropolis.

#### **1.3.2 Secondary objectives**

The secondary objectives of this study are as follows:

- to identify youth perceptions of service quality of their most frequented large food retailers;
- to determine which service quality determinants youth value more than others; and
- to determine which service quality determinants should retailers improve on.

### **1.4 Research questions**

The above objectives are explored through the following primary and secondary questions.

#### **1.4.1 Primary research question**

What are youth perceptions of service quality of large food retailers in the Cape Metropolis?

#### **1.4.2 Secondary research questions**

- What are youth perceptions of service quality of their most frequented large food retailers?
- Which service quality determinants do youth value more than others?
- Which service quality determinants should retailers improve on?

## **1.5 Research constraints and delineation**

For the research purpose intended, the study was confined to students that were currently enrolled at the Cape Peninsula University of Technology for the National Diploma of Retail Business Management. The rationale for this selection of the study's population was motivated by the researcher's belief that the subjects were from a diverse demographic background. Additionally, their choice of studying Retail Business Management would allow them to be mindful of issues relating to retailing and service quality. Furthermore, in recent years, the purchasing power has shifted on to the younger buyers (Insch *et al.*, 2011). With the youth having more of a voice than ever before, they not only have a say in household purchases but in fact, many of them are considerably independent and affluent (Terblanche *et al.*, 2013:372), making substantial shopping choices.

## **1.6 Research design and methodology**

The study attempts to measure youth perceptions regarding large food retailers in the Cape Metropolis. Singh *et al.*, (2016:7) posit that the youth market is of significant importance to retailers and marketers as they have substantial purchasing power and have a direct and indirect influence on their peers and family purchasing behaviour. As the research aims to test specific research questions, this is characteristic of *descriptive research* and therefore quantitative research was employed. Quantitative research attempts to measure something precisely (Creswell, 2013:398). Quantitative methodology can therefore measure consumer behaviour, knowledge, opinions and attitudes (Cooper and Schindler, 2006:217).

The population targeted was limited to students studying the National Diploma of Retail Business Management at the Cape Peninsula University of Technology (CPUT). A simple random sampling procedure was used to draw the sampling frame, which comprised of students enrolled second and third year students only. An online questionnaire was administered to through the university's intranet portal known as "blackboard". The online questionnaire was based on a service quality model known as the Retail Service Quality Scale, adapted from the reputable SERVQUAL (service quality measuring model).

## **1.7 Significance of the study**

According to National Youth Policy (1997:7) drafted by the National Youth Commission, *youth* can be demarcated as men and women aged between 14 and 35

years old. This youth market represents a huge opportunity for present and future sales for retailers. The findings are beneficial for the following three reasons: 1) they provide insight as to the perceptions of youth regarding service quality of large food retailers they frequent the most; 2) they contribute beneficially to retailer insight as to what service quality determinants are most important according to the youth market; and 3) they provide insight as to which service quality determinants require improvement. All these dimensions will be beneficial for retailers' long-term pro-active strategy to remain relevant in the highly competitive retail industry.

## **1.8 Ethics**

The participants were informed that participation was completely voluntary at the beginning of the online survey. The participants were informed that their responses were strictly confidential and results of their participation would be reported in an honest manner. Furthermore, the survey was approved by CPUT's Ethics Committee.

## **1.9 Chapter classification**

**Chapter One:** This chapter introduces the research by giving a background to the problem and highlights the importance of high levels of service quality, particularly in the retail environment. The chapter includes defining the problem statement and the research purpose and objectives/questions. The delineation of the study and the research design and methodology was also defined.

**Chapter Two:** This chapter review past literature on retail service quality, customer perceptions, satisfaction and loyalty. Literature review concludes by examining the Retail Service Quality Scale (RSQS), a customer service quality measurement model that was used in data analysis.

**Chapter Three:** This chapter describes the research design and research methodology, including of definition of the population, sample and research tool employed. It also gives an overview of how the data was collected from the selected sample.

**Chapter Four:** This chapter presents the analysed data in the form of tables and graphs. The Principal Component Factoring analysis was used and the results were presented together with the Kaiser-Meyer-Olkin (KMO) And Bartlett's tests that



measure how suitable the data was for Factor Analysis and the adequacy for each variable in the model.

**Chapter Five:** This chapter discusses the findings of this study, highlighting literature that supports or conflicts with the research findings to allow the researcher to draw insight into the findings. The main theme of the discussion of findings was the food retailers are falling below the expectation of the youth customers in service quality satisfaction.

**Chapter Six:** This chapter draws conclusions and makes recommendations on what service quality dimensions food retailers may improve to remain competitive and secure their future business. Lastly, the research ends with suggestions for further research.

### **1.10 Conclusion**

The chapter outlines the problem statement which necessitated this study into retail markets and their service quality for youth markets, especially as retailers must improve their service quality as a means to gaining and maintaining a competitive edge. This chapter highlights the importance of high levels of service quality, particularly in the food retail environment. The chapter includes defining the problem statement and research purpose and objectives/questions to be addressed. The delineation of the study is presented and the research design and methodology has been described to demonstrate how the research objectives and questions are achieved. In the subsequent chapter, a comprehensive literature review is employed to define the nature and characteristics of retailing. In addition, the nature and importance of service quality are explored, as well as the most popular scales and models for measuring service quality.

## CHAPTER TWO: LITERATURE REVIEW

### 2.1 Introduction

In the previous chapter, the scope and foundation of this study were outlined. The aim of this chapter is to present a comprehensive analysis of existing literature on the research topic, with an overview of retailing. This literature review proceeds as follows. First, studies that are devoted to investigating consumer perceptions in retail stores are discussed. Thereafter, the literature on the service quality in retailers is explored. Then follows studies that analyse the shopping behaviour of youth consumers. The literature review then concludes with a summary of studies that explore consumer satisfaction.

### 2.2 Defining retailing

A number of definitions of retailers have been suggested in reviewing the literature, but most studies agree that *retailing* refers to all activities involved in the selling of goods or services directly to final consumers for their personal or own and non-business consumption (Terblanche *et al.*, 2013:6; Ogden, 2005:23; Kotler and Armstrong, 2016:397; Levy and Weitz, 2012:07). Levy and Weitz (2012:07) advance that retailers are the final business in the supply chain that links manufacturers to consumers. This distribution channel is a “business structure of independently owned, but interdependent on each other, which reaches from the point of product origin (or production) to the final consumer” (Lamb *et al.*, 2013:305).

Terblanche *et al.* (2013:271) and Neiman and Bennet (2006:175) posit the following benefits of retailers; creating and satisfying the demand for products, promotion of the manufacturer’s products, providing information to producers regarding present and future customer needs. Therefore, the role of a retailer may affect the sales and profit potential of producers because they occupy a key central position in the distribution channel; transporting goods from producers, store them and making them available to the final consumers. When retailers purchase the products from producers or wholesalers and in turn take ownership of these goods, they assume the risk of moving the goods from manufacturer to consumer. (Terblanche *et al.*, 2013:6) add that the other benefit created by retailers is they purchase goods from various manufacturers and suppliers, stocking a wide variety of products, resulting in convenient shopping for consumers (Newman and Cullen, 2002:08). Thus, retailers can add various kinds of value to the manufacturer such as providing customer

support, for example; providing the opportunity for consumers to return goods, building brand awareness of the manufacturer's product, and gathering market information.

### **2.2.1 Retail mix**

Retailers and other intermediaries play an important role in securing greater efficiency in making goods available to target markets. Nevertheless, different researchers have developed different retail classifications based on various distinct factors: namely the retail mix, the retail ownership and non-store retail formats like e-commerce and vending (Kotler and Keller, 2015:362). Levy and Weitz (2012:36) advance that the *retail mix* is the most basic form of criteria to distinguish or classify one retailer from another. These studies further postulate that in implementing a retail strategy, managers need to develop a retail mix that satisfies the "needs of the target market better than that of its competition". This retail strategy is a collection of plans and actions devised by managers and some employees from the various levels of the organizational hierarchy (Berkhout, 2016:04; Thompson *et al.* 2005:34). Thus, a retailer's corporate strategy dictate what the products and/or services they offer, the market which they serve, and the strategy used to capture their market.

### **2.2.2 Food retailers**

Berman and Evans (2013:138) propose that *food retailers* are those retailers that sell food and related items only, and can be further classified into different types of food retailers: convenience stores, conventional supermarkets, food-based superstore, combination stores and warehouse stores. Boone and Kurtz, (2015:185) further elaborate that convenience stores are retailers located in close proximity to consumers and sell a limited to moderate breadth and depth of food items. They are synonymous with expanded trading hours, 10-20% higher pricing than the average supermarkets and open for trading seven days a week. However, conventional supermarkets, unlike convenience stores, are large food retailers that are departmentalised, with self-service food stores, selling a high breadth and depth of foods and household products. A limited range of general merchandise products are offered and the main strategy of these stores is low prices, low margins and high volume sales (Levy and Weitz, 2012:48).

### **2.3 Consumer expectations and consumer perceptions**

*Consumer expectations* can be described as desires or wants, which show what customers think or feel that service providers should offer as compared to what they do offer (Parasuraman *et al.*, 1985:17). In addition, Levy and Weitz (2012:543) assert that customer expectations are influenced by the following factors. First, customer information and experiences, which is determined by the customer's previous experience with an organisation. Second, the equipment that customers expect to interact with in communicating with the organisation, placing orders and to expediting deliveries. Third, the type of store (retailer) as customers expect different stores to render different levels and varieties of services. For example, convenience stores are expected to have adequate parking, late hours and quick service. Likewise, specialty stores are expected to have highly competent or expert sales personnel and courteous service. Lastly, the provincial differences, customer service expectations vary across the world. Even though Germany is known for its excellence in manufacturing (Mercedes, BMW and VW), they also renowned for their poor customer service. In America, there is the old adage, "customer is king", while Japan has a similar customer adage, "customer is god". However, Martinez and Martinez (2010:29) posit that expectations regarding service quality are formed by variables such as word-of-mouth, the corporate image, advertising and pricing.

Based on Ian Pavlov's classical conditioning theory, Castro *et al.* (2013:123) posit that product packaging directly influences a consumers perception of the product and their perception of product value, which is bound to affect consumers buying decision. In support of the classical theory, Papakiriakopoulos (2012:4480) and Vazquez *et al.* (2001:1) also argue that consumer perception is closely linked to their expectations. Furthermore, Keevy (2011:10) adds that these perceptions are individual processes which are influenced by internal factors like a person's beliefs, experiences, needs, moods and expectations. Thus, when exposed to conflicting environments, consumers get confused and exhibit impulsive behaviour. Hence, perception and expectation rely on product packaging to provide visceral cues which enable consumers to skip through several stages in the decision-making process.

Javornik (2016:258) applied survey on selected customers of leading franchise food retailers globally and find that customer satisfaction was determined by combining measures of customer expectations, the perceived quality of service and the product and how that relates to customer expectation, as well as the perceived value for

money. They suggested that the growing popularity of social media and online access to information and news is influencing customers' expectations of food services. Thus, perceptions and expectations are changing. Similarly, Steiner *et al.* (2016:280) further argue that consumer expectations and perceptions have become more complex in modern times. Although retailers always strive to understand the changing perceptions and expectations, the rate of perception change is exponential as compared to the gradual adaptation of retailers. Hence, there is a mismatch between the expectations and perceptions of customers and what the retailers can offer.

Joseph and Singh (2013:2258) assert that there is a huge transformation in the consumer lifestyle which has been influenced by the geo-demographics, socio-cultural factors, psychographics, preferences, norms and behaviour. They observed that the youth consumer these days have more purchasing power and wants to lead a life full of luxury and comfort. Thus the middle class in most economies is growing, providing a big boost to the consumer culture due to rising disposable incomes, which continue to drive increased spending and to generate consumer demand for a wide range of new goods and services.

#### **2.4 Service quality**

Another body of literature argues that the quality of services differs from one target market to another and the standard of service quality differs from one consumer to another (Lee, 2010). The sophisticated and informed consumers demand high levels customer service (Kursunluoglu, 2014:530). Hence, retailers can differentiate themselves through their service offering, thereby improving customer satisfaction. Thus, there remains considerable debate, however, as to how service marketing differs from the marketing of goods, and *the degree* to which these differences can be adopted across different categories of services. Phiri and Mcwabe (2013:98) argue that service quality is linked to expectations and perceptions. Similarly, Kotler and Armstrong (2016:232) add that service quality is closely linked to the *product* that is offered to the market for attention, acquisition, use or consumption. Thus, customer satisfaction of a want or need lies in the quality of service offers by the retailer.

Terblanche *et al.*, (2013:56) suggest that there is a distinction in service quality based on the insight that consumers have. Some consumers have diverse shopping habits and expend different degrees of search effort for different kinds of products and

services. Hence, in large food retailers, shopping goods primarily lead consumers to actively search for definite product information, which entails a considerable degree of purchase effort in terms of search effort for find the healthy, low priced and quality goods. Conversely, Brink and Berndt (2008:03) assert that although consumer *service* is essentially intangible, its production is tied to physical products offered by the retailer and its brand image. What is clear therefore is that service providers face marketing strategy and communication issues not frequently encountered in other sectors such as manufacturing and agriculture.

It can be argued that retailers that sell physical goods are different from retailers that sell services; the distinction between the two is made based on the four service characteristics: intangibility, heterogeneity, inseparability and perishability (Blem, 2008:255). Hence, according to Torlak *et al.* (2010:18), to meet the requirement of consumers in a retail context, retailers must emphasise the importance of both product and service quality. Currently, retailers that are excelling in the industry are the ones that combine goods and services into one offering that complement each other, which becomes a logical extension for the store rather and positively reinforce the store's image (Schembri and Sandberg, 2011:171). Thus, *a quality service* is an important element of any retailer's success. It is therefore evident why service quality is one of the most researched areas in marketing (Zainal *et al.*, 2012:304)

Similar to the above literature, a few other studies outline the benefits of service quality in support of its importance to retailers' success. Praharsi *et al.* (2014:115) and Hoffman and Bateson (2006:334) support that high levels of service quality rendered by organisations lead to customer satisfaction. Segoro (2013:307) also add that service quality is positively associated with customer loyalty. Thus, delivering high levels of service quality is key to the formation of customer loyalty. Furthermore, Rasheed and Abadi (2014:301) examine the effect of service quality on retail success and find that service quality can aid in customer retention, patronage and increase overall perceived value towards the customer. In support of Rasheed and Abadi (2014:301), Hoffman and Bateson (2016:357) postulate that there are additional benefits of rendering superior service quality such as improved positive word-of-mouth resulting in increased sales from improved marketing, increased opportunities to demand higher profits, and reduced costs resulting from less repeat (corrective) service rendering.

Other studies extend the debate on the relevance service quality to human capital. Boone and Kurtz (2015:457) report that service quality improves personnel moral and enthusiasm, reduces personnel turnover, reducing human resource training costs. Subsequently, most researchers agree that services have inherent characteristics that dictate as to how we market them compared to physical products (Lovelock and Patterson, 2015:345). Therefore, due to the unique characteristics of a service, services are more difficult and challenging to evaluate than tangible products (Thakor *et al.* 2008:137). In addition, Hoffman and Bateson (2016:334) report that services cannot be evaluated in the same way that physical or tangible goods can. Tangible goods are evaluated on the finished product alone, while services are evaluated on the outcome of the service and the process. Thus, a customer visiting a hair salon evaluate its service quality not only by the final outcome, for example; was the hair stylist friendly, neat and competent. However, as customers evaluate a retailer's service quality, they compare their insights of the long-term service received to that of their expectations. Thus, there should be a consistent standard product and supports services over long-term periods with no defects (Levy and Weitz, 2012:543; Terblanche *et al.*, 2013:272; Hoffman and Bateson, 2016:333).

## **2.5 Customer satisfaction and service quality**

*Customer satisfaction* can be described as the “balancing of customer expectations” compared to the perception of the service being offered (Zameer *et al.*, 2015:445). Rahman *et al.* (2012) acknowledged the link between the two concepts of service quality and customer satisfaction, but argue that the relationship is not consistent. While some believe that customer satisfaction leads to service quality, others believe the reverse that service quality leads to customer satisfaction (Hoffman and Bateson, 2016:333; Negi, 2009:31). Possible explanations, according to Meidutė-Kavaliauskienė *et al.* (2014:335), include; a consumer perception of service quality of which the individual has no prior experience is based on a consumer’s expectations, after-sales encounters with the organisation allow the consumer to review perceptions of service quality, every time the consumer relates with the organisation, customer service quality insights are reviewed or cemented, and revised service quality perceptions change future consumer purchase objectives towards the organisation.

Rahman *et al.* (2012:205) submitted that the relationship amongst the three elements; perception, expectation and service quality, can be analysed by the service

quality models. However, a variety of models can be used to measure service quality: GAPS, SERVQUAL and the Retail Service Quality Scale (RSQS) are three such key models (Simmers and Keith, 2015:120). The GAPS model measures the differences between expectations and perceptions of a service experience (Terblanche *et al.*, 2013:272). This model, however, does not relate to this particular study as the perception aspect of the service quality experienced by youth shoppers were measured (not expectations). The SERVQUAL model which measures service quality along specific criteria – for example, tangibles, assurance, empathy, reliability and responsiveness (Kumar and Sikdar, 2014:3) was not applied either, the reasons being the length of the questionnaire and the model being applied in organisations that render “pure services” (intangible offering) as opposed to a retail setting where goods and services are being offered. The Retail Service Quality Scale (RSQS) model, then, was the appropriate choice for this study to measure youth perceptions of service quality of large food retailers. The rationale is that this model (RSQS) was designed to measure service quality specifically in retail settings (Mursaleen *et al.*, 2014). Below is an overview of the RSQS service quality measuring model.

### **2.5.1 Retail Service Quality Scale (RSQS)**

The Retail Service Quality Scale (RSQS) model compose of five dimensions (physical aspects, dependability/reliability, personal interaction, problem-solving, and wide-ranging policy), which were developed to measure service quality in various types of retailers like department stores, supermarkets and discount stores (Ivanauskien and Volung, 2014:115). RSQS has been successfully “adapted and validated” in a retail store environment (Amorim and Bashashi Saghezchi, 2014:225). Jain and Aggarwal (2016:134), Simmers and Keith (2015:7) and Kumar and Sikdars (2015:8) support the RSQS model citing that by applying factor analysis and reliability tests, it shows that all the five dimensions (physical aspects; reliability; personal interaction, problem-solving and policy) can “significantly measure service quality in a retail setting.” Hence, the above studies support the assertion that the RSQS instrument is not only suitable to measure service quality of retailers (in particular supermarkets) that offer a mix of goods and services but is also valid and reliable. The authors further argued that the RSQS was of beneficial use for retailers to identify problem areas in service quality and thus improve those weak aspects of its services.



## **2.6 Customer retention and customer service strategy**

There are numerous studies revealing that most organisations are still focusing on the acquisition of new customers rather than the development of their existing customer base (Christopher *et al.* 2013:56). Furthermore, Christopher *et al.* reiterate that many organisations continue to focus their time, money and energy on attracting new customers, instead of taking the same level of resources to retain existing customers. Below is an analysis of the importance of customer service in the context of retail stores.

### **2.6.1 Importance of customer service**

Min *et al.* (2016:730) cite Reicheld *et al.* (2000:175) as being one of the first to suggest that organisations need to place more attention on customer retention than on customer acquisition. Min *et al.* further argue that customers defect at an “alarming” rate of 10-30% per year and a 5% increase in customer retention efforts consistently resulted in a 25-100% increase in “profit swings” across all industries studied. Hence, organisations can boost their profits by 100% simply by increasing their customer retention efforts by 5%. Reicheld *et al.* cite that for one automobile service company, the profit expected from a “fourth-year customer is more than triple than the profit of a first-year customer”.

Min *et al.* (2016:733) further cite that in one bank’s branch system, just a 5% decrease in customer defections resulted in 85% more profits. Sahagun and Vasquez-Parraga (2014:171) support Reicheld *et al.* (2000:175) on that, companies that have loyal customers can “financially outperform” competition with lower product costs and higher market share. For example, that a 2% decrease in the customer defection rate can result in a 10% reduction in unit costs, which implies more profit. Timm (2013:15) concur with Reicheld *et al.* (2000:175) and argue that, with respect to the Pareto Principle, usually 80% of an organisation's business is accrued from 20% of its customers. It is sensible then to focus on those existing customers producing the profits. In addition, Kimes and Collier (2015) report that frequent customers tend to place regular and consistent orders, thereby decreasing the cost of service necessary for those customers. These studies concur in concluding that, by retaining customers, organisations prevent competitors from entering the market and expanding their market share because ‘long time customers’ tend to be less price sensitive and usually provide free word-of-mouth advertising and referrals.

Notably, Lamb *et al.* (2013:7) have also found that businesses can lose up to 50% of their customers in five years. Thus, they argue that the key to retaining customers is in a company's ability to predict which customers are likely to leave and to prevent these 'right customers' from leaving. However, Namkung *et al.* (2011) suggest that the customer retention and loyalty lies in the company's ability to resolve customer problems or complaints. The implication of this is that there is a 'right' customer to retain as opposed to a 'wrong' customer (Ang and Buttle, 2006:86). According to Berman and Evans (2013:186), the right customers are those customers that represent the highest residual life-time value to a business. And, the 'lifetime customer' value is the expected contribution from the customer to the retailer's profits over his or her entire relationship with the retailer (Levy and Weitz, 2010:345).

### **2.6.2 Resolving customer complaints and problems**

Bone *et al.* (2014:28) advance that many customer service feedback reveal that 95% of customers, whose problems are resolved quickly, continue to do business with that organisation while Timm (2013:40) postulates that between 50-80% of customers whose complaints are resolved will consider doing repeat business, even if their complaint was not resolved in their favour. Conversely, Namkung *et al.* (2011:498) argue that dissatisfied consumers are more likely to want an explanation as to why the problem occurred, assurance that it will not happen again and a platform to vent their frustrations, as opposed to wanting free merchandise. Hence, in support of Namkung *et al.* (2011:498), Ramanathan *et al.* (2017:37) add that the ability of a business to resolve customer problems in the right manner can greatly assist to avoid losing customers, uplifting customer retention, and even influencing other people to support that business. Thus, handling complaints is a means to retain customers.

### **2.6.3 Types of complainers**

Zeithmal *et al.* (2012:22) posit that customers can be categorised based on how they respond to service failures" into five types of complainers. First, "passive" customers are the least likely to take any action or to complain due to poor service offered by the business and are unlikely to tell others about the service failure (that is negative word-of-mouth). Second, the "voicers" is a group of customer that complain, but they will not spread negative word-of-mouth, nor will they go to a competitor or third parties with their complaints. Zeithmal *et al.* explain that "these customers would be viewed as service provider's best friends". Their customers complain, giving the

organisation an opportunity to resolve the complaint, but without the customer repeating the story of the poor service to others.

Third, the “irates” will complain loudly and are more likely to spread negative word-of-mouth to friends and family. The chances of them complaining are merely average as they switch to competitors quickly. These complainers are usually angry with the service provider, believing that complaining has benefits and will yield a positive outcome. These customers will not give their perceived offending business an opportunity to resolve their problem. Fourth, the “activists” complainers demonstrate an above average chance of complaining and therefore they will complain, they spread negative word-of-mouth and they will complain to a third party. Complaining agrees with their 'personal norms' as they are optimistic that complaining will yield a positive customer result. Lastly, the “terrorists” complainers are customers who intentionally complain and spread negative word-of-mouth. Usually, if their complaint was not amicably resolved and therefore complainers will vent their frustration by any available avenues such as social media.

#### **2.6.4 Sources of complaints**

Leland and Bailey (2011:252) argue that the most common reasons for customer complaints are the following: billing/account mistakes; failure to fulfil product or service warranties; failure to provide refunds or exchanges; incompetent or misleading information; misleading advertising and statements by sales personnel; poor quality repair work; product or service not performing as promised; and products not in stock and so unavailable. Zeithmal *et al.* (2012:22) further advance that the following are reasons why customers defect from an established relationship: customers do not know where to complain or how to complain; customers view complaining as an annoyance that they would wish to avoid; customers often believe the businesses will not try to resolve the customer's complaints; customers do not see the value or benefit to them in complaining; and that customers may fear that the companies that render this inadequate service may harbour resentment or hostility to the complainant.

However, Blem (2010:212) argues that retailers experience many customer complaints due to the nature of retailing selling, as they usually carry a substantial breadth and depth of products because retailers cater to heterogeneous customer needs and wants. Hence, very few retail buying situations are alike. Moreover, Liang

(2013:187:) suggests that the keys to handling complaints are: if the complaint is justified, acknowledge it and take corrective steps (that is if the company has defaulted on their part, then the company should take responsibility); but if the customer is wrong, the organisation should not attempt to prove the customer is at fault (that is to argue with a customer to prove that the customer is wrong).

According to Dunne *et al.* (2013:418), customer complaints should be resolved in the following manner: acknowledge the importance of the customer (that the customer has a right to complain and the customer is important to the business); understand and define the customer's problem; suggest possible solutions that are both fair to the customer and the company. Leland and Bailey (2011:253) suggest the customer wants to hear that the customer service representative is sorry for the problem and or inconvenience, even if the problem was not caused by the customer service representative. In contrast, Timm, (2013:40) assert that customers just want to be approached in a courteous, fair and professional manner. Thus, they will continue to support your business if their problem was resolved in the right manner, even if their complaint was not resolved in their favour. The consequence of this is growth in satisfied and loyal customers.

## **2.7 Customer loyalty**

Ramanathan *et al.* (2017:37) advance that one of the strategies for businesses to survive in today's competitive environment is by constructing a wide base of loyal customers. The authors reflect that an organisation's long term success in a market is essentially determined by its ability to increase and maintain a large and loyal customer base. Levy and Weitz (2012:151) postulate that *customer loyalty* occurs when customers are committed to shopping at a particular retailer's location. Kursunluoglu (2014) defines *customer loyalty* as an inclined communicative response, expressed over time by customers with respect to one provider out of a set of suppliers, which is the purpose of decision making and evaluative dispensation resulting in brand or store promise. Conversely, Wang *et al.* (2014:70) postulate that the concept of customer loyalty has evolved as marketers recognise that measuring behaviour alone does not fully equate to customer loyalty. Clearly, *customer loyalty* is much stronger than the notion of repeat purchases.

Timm (2013:40) advocates that customer satisfaction alone is not a prerequisite of a loyal customer, as a customer may be satisfied today but not necessarily loyal to a

business in the future. Katsifou *et al.* (2014:37) report that repeated buying alone is not a criterion in describing a loyal customer, as some customers buy as a result of habit, convenience or price and would be quick to defect to another store. Beneke *et al.* (2013:223) elaborate that customers responding to marketing promotions like discounts or trial offers do not imply loyalty. Thus, businesses that have acquired a large share of the market may have the view they have loyal customers, which is an incorrect perception as customers may be patronising businesses due to poor competitor's offerings.

Peppers and Rogers (2016:61) observe that loyalty is not one dimensional, being defined by both a 'behavioural approach' and the 'attitudinal approach'. Peppers and Rogers believe that when customers repeatedly purchase products or services from a particular store or brand, this can be described as 'behavioural'. The 'attitudinal approach' implies consumers have a positive and a preferential attitude towards a company or brand. Similarly, Kandampully *et al.* (2015:379) and Kamran *et al.* (2017:18) concur against a single use measure of customer loyalty. They argue that the behavioural measure (that is repeat purchasing as a measure for loyalty) could be effective in markets where the products sold are consumer goods. Consumer goods typically have a higher rate of brand switching, low risk and low involvement. However, they believe that in other markets, like the durable goods market such as with motor vehicles and appliance markets, buyers tend not to switch frequently back and forth between brands as purchases are considered high risk. Therefore, a behavioural approach may not be effective.

### **2.7.1 Benefits of customer loyalty**

While acquiring new customers is of major importance, Blem (2010:64) observes that companies lose on average 20% of their customers on a yearly basis. Timm (2013:40) argues that it costs five times more to acquire a new customer than to retain an existing customer. Christopher *et al.* (2013:146) offer support to customer loyalty because loyal customers cost less to serve (that is they are willing to assist themselves in a service transaction and are described as being less needy or pampered by companies) and will pay higher costs for a set of products or services. Anderson and Simester (2014:253) concur with Christopher *et al.* citing that loyal customers act as word-of-mouth marketing agents, giving referrals for a company to which they are loyal. They are thus also willing to sample new products or services and are more likely to suggest product or service improvements. They conclude that

loyal customers are less price sensitive and therefore unlikely to leave an organisation due to price increases.

Levy and Weitz (2012:240) further substantiate the importance of retailer building customer loyalty by developing a clear and precise positioning strategy and creating an emotional attachment with customers through loyalty programmes. They posit that developing a clear and distinctive image of a retail offering, and then consistently reinforcing this image through products and services, will build customer loyalty. Groeger and Buttle (2014:1188) challenge that effective handling of complaints or problem solving creates a lasting impression of the organisation, positive goodwill for any business. This goodwill can result in positive word-of-mouth, the phenomena of customers telling other people about their positive or negative purchasing experiences (Nickels *et al.* 2010:445). Thus, negative word-of-mouth can cripple any retail business, causing substantial loss of sales and a decline in profits (Berman and Evans, 2013:490). Hence, if retailers solve customer problems in the correct perceived manner, the customer not only continue to shop with that retailer, but will also influence others to shop there too, via word-of-mouth (Terblanche *et al.* 2013:127).

### **2.7.2 Customer loyalty and satisfaction**

Levy and Weitz (2012:111) define *customer satisfaction* as the “post-consumption evaluation of how well a store or product meets or exceeds customer expectations”. The authors advance that *customer satisfaction* is a “customer feeling that his or her product has met their expectations”. As a consequence, organisations failing to meet customer expectations will be mired in customer dissatisfaction, while those organisations that meet or exceed customer expectations will be satisfied. Peppers and Rogers (2016:342) believe that while customer satisfaction is a worthy and useful goal for any organisation to achieve, customer satisfaction is not synonymous to customer loyalty. They argue that there are many organisations with satisfied customers who are not loyal and dissatisfied customers who are loyal. Kumar *et al.* (2006:159) disagree, suggesting that the link between customer satisfaction and customer retention or loyalty is “asymmetric” (i.e. customer dissatisfaction has a greater effect on retention than satisfaction) and “nonlinear” (i.e. the effect of satisfaction on retention is “greater at the extremes”).

### **2.7.3 Youth behaviour**

Bialkova *et al.* (2014:143) point out that youth shopping habits are usually stereotyped on public media without intense examination. They find that women, 61% of those aged 16 to 25 enjoy shopping for pleasure. However, as women grow older, their interest in shopping stays around much longer than their male counterparts. In addition, Klopotan *et al.* (2016:83) argue that youth customers have more disposable income than other demographics because they do not have other expenses like a mortgage payment, student loan payments or other debts to pay. Thus, in shopping terms, disposable income is another way of saying 'spendable' income.

Anselmsson *et al.* (2014:95) argue that youths are more concerned and worry about their image more than other demographics. The popularity and peer pressure in social circles such as universities, often pressurise them to stay abreast of current trends, which involves spending money. However, Wang *et al.* (2014:1063) contend that even though youths might not have other large expenses, they are still concerned about the price in the stores they buy from. Thus, in addition to peer pressure and personal style in store selection, many youths are influenced by price.

However, although the youths have become an attractive target market, their expectations and perceptions of service quality have become more complex in the past century (Bialkova *et al.*, 2014:85). In addition, it is more difficult to establish loyalty in youth customers than in other demographics because customer sophistication usually begins with youth customers (Joseph and Singh, 2013:2252). Steiner *et al.* (2016:285) further argue that the problem of resolving complaints and maintaining loyalty is further compounded as many youth customers now increasingly voice their concerns and complaints via social media. Finally, Istanbuluoglu (2017:42) posit that youth consumers often expect businesses, including retailers, to respond to complaints within one to three hours on Twitter and three to six hours on Facebook, which usually does not happen. If this is achieved, higher customer satisfaction and loyalty in youth customers are accrued.

## **2.8 Conclusion**

Thus in summary, the central theme of the majority of studies analysed is that customer consumer loyalty is inspired by customer satisfaction, which is result of product and service quality expectation being met or exceeded. However other studies acknowledge satisfaction and service quality as important, they argue that

they are not synonymous with customer loyalty because there are many organisations with satisfied customers who are not loyal and dissatisfied customers who are loyal. With the growing dynamics in service quality perception and expectation in youth customers, there is still ongoing debate on the customer perception of service quality. This chapter presented the literature review to provide a broad insight on customer service, customer loyalty, and service quality entails. The subsequent chapter is the research and methodology chapter wherein the blueprint for the manner by which the study achieve its research goals are presented. This includes revisiting the research purpose and objectives and thereafter, defining the target population, sample procedure and sample element. Finally, issues of validity, reliability and ethics are addressed.



## CHAPTER THREE: RESEARCH METHODOLOGY

### 3.1 Introduction

The previous chapter described the nature of retail and the retail service quality measurement model. This chapter describes the data used in the analysis and issues relating to population, sample procedure, questionnaire design. It further outlines the research design and methodology, including the rationale for adopting a quantitative perspective and ethical considerations. Before defining the research design and methodology, however, we need to re-visit the research objectives.

### 3.2 Research purpose and objectives

The main purpose of this study is to identify youth perceptions of service quality of large food retailers in the Cape Metropolis. Following the main purpose the secondary objectives are stated as:

- to determine which service quality determinants youth value more than others;
- to identify youth perceptions of service quality of their most frequented large food retailers; and
- to determine which service quality determinants should retailers improve on.

### 3.3 Research design

A research design has many definitions, but at its core, it is a “plan and structure” that shows how the research questions are answered and what the researcher did, from writing hypotheses to the final data analysis (Flick, 2011:65; Henning, 2004:36). This study took a positivist epistemology with objective ontology and deductive approach to conduct statistical analysis on customer service quality and to provide answers to the research questions. According to Luk *et al.* (2013), this scientific approach establishes descriptive statistics of the data and the causal relationships among the service quality dimensions, which helps to make inferences about the behaviour of customers. Thus, to solve a problem in real life without any theory can give extremely unexpected results which are usually not applicable. This study therefore adopts a descriptive quantitative approach, which according to Cooper and Schindler (2013:217), attempts to measure something precisely by determining the frequency of which it occurs and the relationship between two variables. Hence, a quantitative methodology can measure consumer behaviour, knowledge, opinions and attitudes. Thus, it was applied to evaluate relationships between consumer perception and the

five retail service quality dimensions. Furthermore, the descriptive research approach can also be used to establish reasons and outcome relationships between variables (Brown and Sutter, 2014:28).

### **3.4 Data description**

The data used to achieve the objectives of this study is describe as follows.

#### **3.4.1 Population**

The *population* can be described as the total group that the researcher wants to study (Boone and Kurtz, 2015:320), “any complete group of entities, for example: people; college students; stores; sales territories etc. that share some common set of characteristics” (Brown and Suter, 2014:114). The population for this study was limited to 440 youths (students) who are enrolled for the National Diploma in Retail Business Management at the Cape Peninsula University of Technology in second and third (final) year level. The population for the study was motivated by the following reasons and assumptions. First, the size of the Retail Business Management classes was 220 students each. Second, the subjects are from diverse demographics and socio-economic backgrounds. Third, at second and final year levels, the subjects would have studied courses that allow them to be mindful of the issues relating to retailing and retail service quality. Fourth, the subjects purchase food products from at least one of the targeted food retailers. Lastly, in the second and final year level, the subjects would still be getting full parental support, hence they will have high purchasing power. Thus, the selected population was most appropriately suitable to represent the characteristics and traits of youth perceptions on service quality.

#### **3.4.2 Sample and Sampling procedure**

After the population was identified, a sampling procedure, or method, was chosen due to time and cost constraints. Therefore an appropriate and adequate sample size was selected for data collection. According to Brown and Suter (2014:121), three basic factors affect the size of the sample required the level of “variation or diversity” of the parameter of the population in question, how precise the estimation should be and the degree of confidence to be achieved. In addition, Collis and Hussey (2014:211) and Mult and Watkins (2010:56) explain that the larger the sample the more representative it is of the population. Thus, for this study, a sample size of 220 subjects was chosen as adequate representation of the population. From the

recommendations and scale in Torgerson and Miles (2007:960), Charan and Biswas (2013:123) and Kim and Seo (2013:236), the sample size of 220 is adequate and representative because it is above the 176 subjects recommended as the minimum for such a population size. Hence, conclusions can be drawn pertaining to the entire population.

The sample was selected based on simple random sampling from an online learning interface called “Blackboard” where students are identified by their unique code (student numbers) which are not arranged in any particular order. The simple random probability sampling procedure, in which all the elements of the population had equal chance of being selected, was more suitable to avoid bias. The selection of each subject was not affected by the selection of other subjects. An online questionnaire survey was administered to 220 students, of which 176 online surveys were administered to enrolled second and third year students. These students were alerted of the questionnaire and invited to complete them at their convenience via the CPUT’s Blackboard student intranet.

### **3.4.3 Reliability**

*Reliability* is often referred to as the “trustworthiness” of the research findings (Collis and Hussey, 2014:186). Research findings can be deemed reliable when someone else can duplicate the research and derive the same results (Mull and Watkins, 2010:68). *Consistency* is the symbol of reliability as a result improving reliability requires decreasing random error (Brown and Suter, 2014:95). Brown and Suter also explain that findings could be reliable, but not automatically valid, because of systematic errors. The draft questionnaire was moderated by a senior research expert in the university research department and a qualified statistician before it was distributed online. The pre-test questionnaires were conducted to ensure the reliability of the survey instrument as described in the pilot study below.

### **3.4.4 Pilot study**

The questionnaire was pre-tested to identify any shortcomings in order to attain user ease and friendliness and to be certain that the questionnaire was properly understood as intended. The pre-test questionnaire was distributed online via the Blackboard online learning intranet amongst 20 second and third-year students registered for the Retail Business Management diploma. The majority of the 20 respondents in the pilot study noted the same problems with the survey questions,

key amongst them; spellings, the arrangement of questions and the length of questions. The pilot group of 20 respondents was large enough to identify most of the major issues with the online survey questionnaire. The feedback from the pilot study also pointed out sections of the questionnaire that the respondents were hesitant to answer or making mistakes and 3 overlapping questions that were later rephrased. Thus these indications were used to improve the survey questions and layout to ensure the terms can be clearly understood and that there is logical flow.

#### **3.4.5 Data collection**

Based on the reviewed literature and the assumptions from the scientific approach, for the purpose of this study, the collection of primary data was obtained through self-administered questionnaires. The self-administered questionnaires were supplied to students via the university's Blackboard online student interface. Bryman *et al.* (2011:191) advance that a self-completion questionnaire is one whereby respondents answer questions by completing the questionnaire themselves. The main aim of a survey data collection tool is to find differences and similarities through comparable data across subsets of the chosen sample (Cooper and Schindler, 2013:273). Zikmund and Barry (2013:227) cite the advantages of online (or Internet) self-questionnaires which include: cheap to administer, quick to administer, respondent participation and cooperation and accurate real time data capture. The collected data was grouped into five categories according to the Retail Service Quality Scale (RSQS) model (Dabholkar *et al.*, 1996:10), which compose of five dimensions; physical aspects, reliability, personal interaction, problem-solving and policy) developed to measure service quality in various types of retailers (Ivanauskien and Volung, 2014:115).

#### **3.4.6 Questionnaire design**

The online structured questionnaire used to collect data was designed based on Dabholkar *et al.* (1996)'s RSQS, a service quality model adapted from the reputable SERVQUAL (another service quality measuring model). As suggested by Amorim and Bashashi-Saghezchi (2014:223), the type of data collected by each of the questions was taken into consideration in designing the questionnaire. Thus all the content of the questions was based on Dabholkar *et al.*'s RSQS dimensions, which was specifically adapted to measure retail service quality. The RSQS was an adaptation of the most widely known and acknowledged model for measuring service quality (Keevy, 2011:17).

The questionnaire consisted of two parts; sections A with questions 1 to 7 and section B with questions 8 to 32. The 7 questions in Section A were aimed at assisting the researcher with statistical analysis of demographic data among participants, usage rate and the preferred retailers. Section B captured the statistical analysis of each participant's perceptions of service quality regarding the aspects or dimensions of the RSQS which are; the appearance of the retailer, convenience of the retailer, the reliability of the retailer, personal interaction by the retailer, problem-solving of the retailer and policies of the retailer relating to service quality. This was most appropriate in order to be able to analyse the overall service quality perception of the youth in food retail stores. The dimensions were further subdivided into sub-dimensions in order to measure the unbiased overall service quality perception of the youth on food retail stores and get a broader perspective on the service quality.

All questions from 8 to 32 employed a 5-point Likert scale in which 1 means "*Strongly Agree*" and 5 represented "*Strongly Disagree*". The choice of employing the five-point Likert scale is motivated by the suggestion in Asún *et al* (2016:112) that a 5-point scale provides a better normal spread of observations for conducting the research. The 7 demographic and general questions were asked to the respondents to find out the difference or similarities in the perception of the overall service quality between customers according to different ages, the frequency of visiting the store and how long they spend shopping in the store. This would ultimately provide better and unbiased recommendations to the food retailers on improving quality.

### **3.5 Methodology**

To analyse the research questions, the study adopts the five key components in measuring customer perception on the service quality of retail stores according to the Retail Service Quality Scale (RSQS) dimensions proposed by Dabholkar *et al.* (1996), which are physical aspects, reliability, general policy, personal interactions and problem-solving. These RSQS dimensions are appropriate for this study to apply factor analysis to the five dimensions of customer retail service performance. The RSQS has been successfully "adapted and validated" in a retail store environment (Amorim and Bashashi-Saghezchi, 2014:225). Jain and Aggarwal (2016:134), Simmers and Keith (2015:7) and Kumar and Sikdars (2015:8) support the RSQS model, citing that the five service quality dimensions (physical aspects; reliability;

personal interaction, problem-solving and policy) can “significantly measure service quality in a retail setting.” Hence, the authors support the assertion that the RSQS instrument is not only suitable to measure service quality of retailers (in particular supermarkets) that offer a mix of goods and services but also valid and reliable.

### **3.6 Validity**

*Validity* refers to the extent to which the findings show precisely “what is happening”. More precisely, validity is concerned with whether the data or findings gives a “true picture” of what is being studied (Zohrabi, 2013:256). Brown and Suter (2014:95) add that, validity is defined by any scale or other measures that assess accurately what it intended to assess. The RSQS adopted in this study is one of the most widely applied models in analysing service quality in retail stores. Jain and Aggarwal (2016:134), Simmers (2015:7) and Kumar and Sikdars (2015:8), all argue that the Dabholkar’s RSQS model is a valid instrument for measuring service quality of retailers. Therefore, combining a structured questionnaire designed to capture all the five variables in the RSQS model and the unbiased sample selection process ensured that this entire research process and the findings obtained meet validity required in a scientific research method. Validity was further verified in the data analysis through significance statistical proof in factor analysis.

### **3.7 Ethical statement**

The research was conducted in an ethical manner and as such, the survey was approved by the CPUT’s Ethics Committee (see Appendix C). No respondents were asked their identity, thereby securing anonymity.

### **3.8 Conclusion**

This chapter firstly reiterated the research purpose and objectives that this study intended to meet. Thereafter, an overview of the research design and approach as well as the rationale on why the descriptive and quantitative approach was chosen. A detailed process of how the questionnaire was designed based on the RSQS model was presented. The chapter then outlined the process of sample selection and methodology used in collecting the data, including the target population, sample procedure. The chapter concluded by discussing the issues of validity, reliability and ethics to ensure that the study satisfies the principles of scientific research methods.

## **CHAPTER FOUR: PRESENTATION OF RESULTS**

### **4.1 Introduction**

This chapter presents the findings obtained from a number of statistical tests on the primary data collected from the online survey questionnaires to establish empirical results. The SPSS statistical package was used to analyse the 5 service quality factors according to the RSQS. The findings were presented as follows. First, the frequencies of the demographic characteristics of the respondents, their usage rate and their preferences of food retailers. Thereafter, following the study by Siu and Cheung (2001), results of factor analysis on youth consumers perception on service quality in food retail stores were presented. The statistical analyses of the factors analysed follows the dimensions specifies in the RSQS which are to enable examination into the general youth perceptions of service quality of their most frequented retailer, the importance of key service quality dimensions: which service quality dimensions do youth deem more important than others. The analysis is further divided into sub-dimensions to enable in-depth inferences and statistical proofs about retail service quality to accomplish the objectives of the study.

### **4.2 Demographic characteristics and shopping behaviour of respondents**

The characteristics of the respondents are presented in Table 4.1 below. In the order of results presented below, it shows that of the gender of the population sampled, 68% of the respondents were females and 32% were males. 99% of the respondents were between the ages of 18 to 29 years old and only 1% were 30 years and above, implying that majority of them were in the economically active population. On racial association, respondents represented by the majority in the study were Black (82%) and followed by Coloured (10%), White (4%), Indian/ Asian (3%) and 1% other. On the choice of food retailer that the respondents shop from, the results indicate that the majority of respondents shopped most frequently at Pick n Pay (41%), followed by Shoprite (34%), Spar (7%), Checkers (6%), Ok Bazaar (5%), Makro (4%), Woolworths (2%) and Others (2%). Most of the respondents (46%) answered that they shopped two to four times a week whereas 22% shopped once every two weeks, followed by those who shopped on a weekly basis (16%) and then daily (5%). On time spent shopping, the results show that most respondents shopped between thirty minutes to an hour (51%). Thereafter, 27% shopped between one and two hours, 17% less than 30 minutes, and only 5% shopped more than two hours. Lastly,

on shoppers' behaviour, the majority of participants (72%) shopped with someone else, while 28% of the youth shopped alone.

**Table 4.1: Demographic frequencies**

		Frequency	Percent %	Cumulative %
Gender	Male	56	31.8	31.8
	Female	120	68.2	100.0
Age group	18 to 21	129	73.3	73.3
	22 to 25	43	24.4	97.7
	26 to 29	3	1.7	99.4
	30 to 33	1	0.6	100.0
Racial Association	Black	144	81.8	81.8
	Coloured	18	10.2	92.0
	White	7	4.0	96.0
	Indian/Asian	6	3.4	99.4
	Other	1	0.6	100.0
Retailer of Choice	Pick n' Pay	72	40.9	40.9
	Shoprite	59	33.5	74.4
	Checkers	10	5.7	80.1
	Woolworths	4	2.3	82.4
	Spar	12	6.8	89.2
	Macro	7	4.0	93.2
	Ok Bazaar	8	4.5	97.7
	Other	4	2.3	100.0
Shopping Frequency	Daily	9	5.1	5.1
	2 to 4 times per week	81	46.0	51.1
	Once a week	28	15.9	67.0
	Every 2 weeks	39	22.2	89.2
	Once a month	19	10.8	100.0
Time spent	Less than 30 minutes	29	16.5	16.5
	Between 30 minutes and 1 hour	90	51.1	67.6
	Between 1 and 2 hours	48	27.3	94.9
	2 hours and more	9	5.1	100.0
Shopping Companion	Yes	126	71.6	71.6
	No	50	28.4	100.0

### 4.3 Retail service quality and satisfaction

The factors that analyse youth perception of service quality issues are presented below in tables according to the RSQS dimensions. In order to summarize and give the overall impression about service quality the tables presented below give an

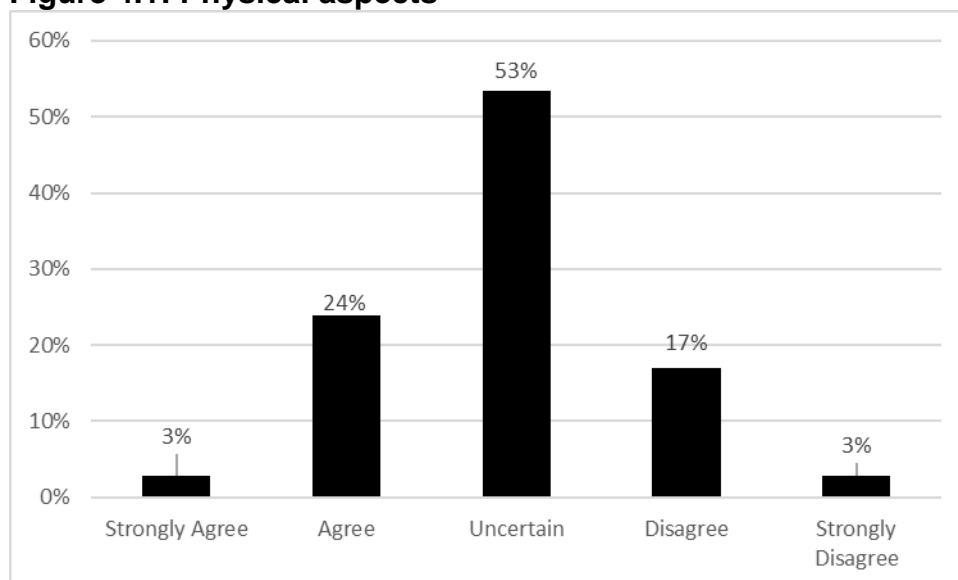


overview on the average category of each aspect of service quality according to the RSQS. All the sub-dimensions in each factor are summed up and averaged according to the options in the questionnaire.

#### 4.3.1 Physical aspects

According to Simmers and Keith (2015:123), physical aspects of retailer include equipment and fixtures, physical facilities, materials associated with store's service, convenience of physical facilities and layouts. In addition to the appearance of the facilities, Kimes and Collier (2015:230) cited that it also takes into account the convenience offered to the customer by the layout of physical facilities and other functional elements like layout, comfort, aesthetic elements such as the architecture, colour, materials and style of the store. Figure 4.1 below shows the responses of participants to the physical aspect of food retailers.

**Figure 4.1: Physical aspects**



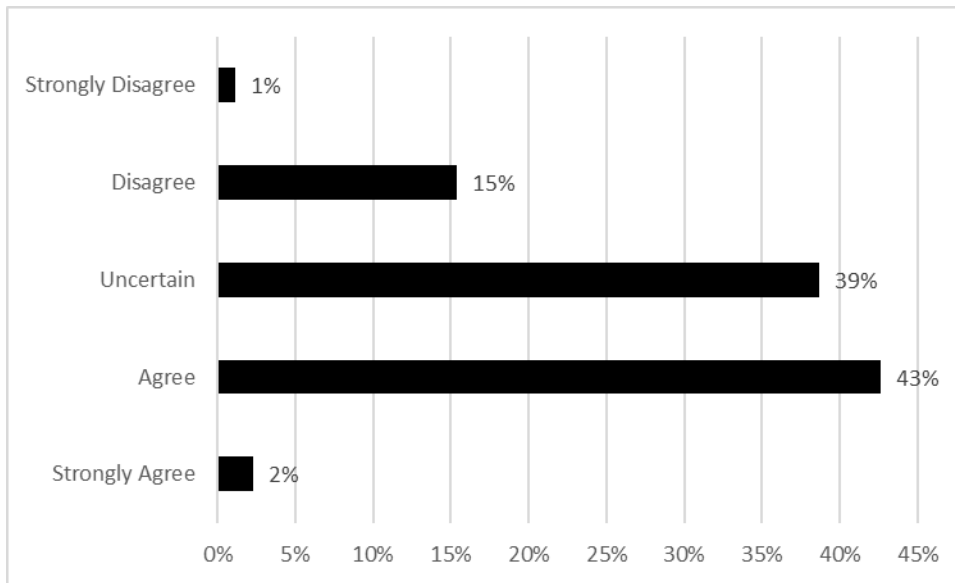
In the questionnaire, there were 9 sub-questions which are concerned with the physical look, neatness and access of the store. A significant 53% of the respondents were uncertain on whether the physical aspects were satisfactory, whereas 24% agreed that the store was attractive, neat and spacious, 17% of the respondents disagree that the store has modern equipment, fittings and fixtures, a few respondents (3%) strongly disagree that the sales personnel is neat and professional, however another 3% strongly agree that they find it easy to locate goods that they intend to purchase and regard the service quality offered by the retailer as satisfactory. The majority of respondents however felt that physical aspects of the retailer was important to them when frequenting a large food retailer,

while only a smaller fraction of those surveyed felt that neatness of the retailer was insignificant.

### 4.3.2 Reliability

Simmers and Keith (2015:123) pointed that reliability of retailers includes keeping promises to do something, providing right service, available merchandise and error-free sales transactions and records. Figure 4.2 below shows the responses of participants to food retailers' reliability.

**Figure 4.2: Reliability**



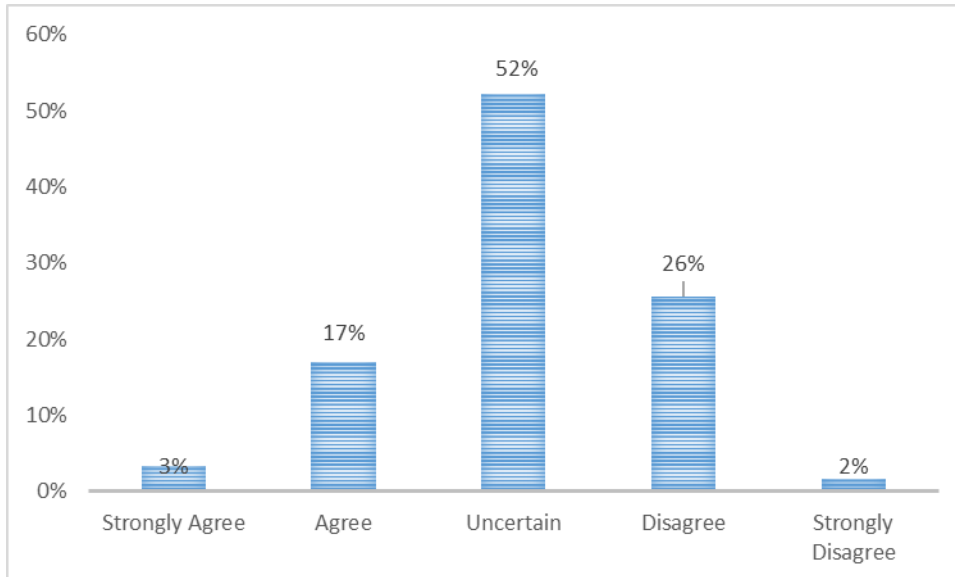
A large percentage (43%) of respondents agree that the food retailer they shopped from was reliable in providing right service, while 39% were uncertain whether the goods they wanted were always available. 15% disagreed that their purchase transactions and records were free of errors as cashiers make mistakes when recording purchases at the till point. Only 2% strongly agree that they regard the service quality offered by the retailer as reliable as goods sold by the retailer are always in stock. An insignificant 1% respondents strongly regarded the overall service I receive from the chosen retailer as unreliable.

### 4.3.3 Personal interaction

Simmers and Keith (2015:123) defined the personal interaction dimension of retailers includes employees having the knowledge to answer questions, inspiring confidence, providing prompt service, willing to respond to customer's requests, giving customers individual attention, showing consistent courtesy with customers and even treat

customers properly on the phone. Figure 4.3 below shows responses to personal interactions that the respondents had with their food retailer of choice.

**Figure 4.3: Personal interaction**

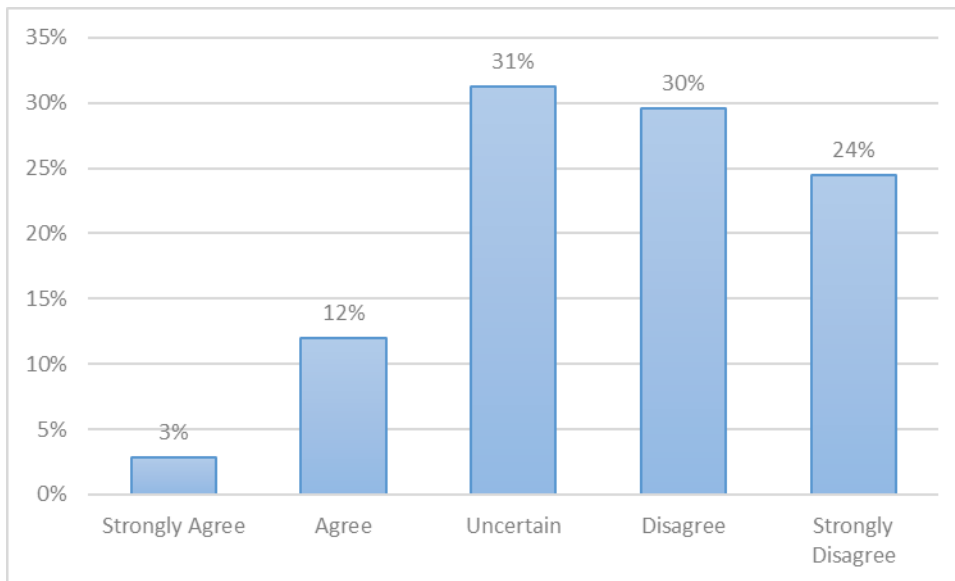


A moderate 52% of respondents felt that they were neutral on whether the sales personnel of their preferred food retailer was friendly and eager to assist them when shopping, while 26% pointed that the sales personnel was not friendly or helpful. However, 17% of them agree that the sales personnel was available when required to assist, thus they will be willing to pay more for the same products from a food retailer that offers them a better service quality. The remaining 3% strongly agree that the store's products are quality and their personal interactions were satisfactory.

#### **4.3.4 Problem-solving**

Simmers and Keith (2015:123) explain that problem-solving addresses the handling of returns, exchanges and complaints. The problem-solving dimension of retailers includes the willingness of retailers to handle returns and exchanges, sincere interest in the problem and handling customer complaints directly and immediately. Thus Figure 4.4 below shows the results of customer perception on the retailers' problem-solving.

**Figure 4.4: Problem-solving**

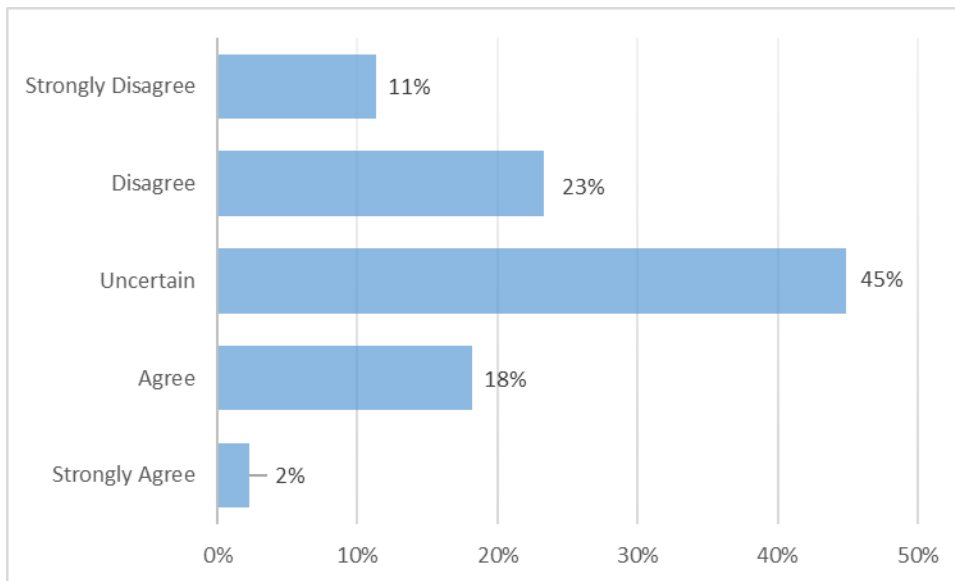


A total of 30% of respondents felt that the way in which store resolves customer problems was not satisfactory at a food retailer, but 12% of the respondents felt problem-solving by the retailer was satisfactory. 24% strongly disagreed that it was easy to complain when dissatisfied with the retailer or their products, in contrast, only 3% thought the sales personnel was knowledgeable about the store's products and policies regarding returns or exchange. However, the largest percentage of 31% were uncertain about the personnel knowledge about the products and store's policy on complaints, returns or exchange.

#### **4.3.5 Store policy**

This dimension captures aspects of service quality that are directly influenced by retailers' policy. It includes high-quality merchandise, the convenience of parking and operating hours as well as accepting major credit cards. Intangibles can also reflect the specific norms and values of a company, e.g. its codes of conduct and corporate narratives (Simmers and Keith, 2015:123). Figure 4.5 shows the responses on store policy.

**Figure 4.5: Store policy**



Of the respondents surveyed, 18% felt that their frequented food retailer offers convenience of parking, operating hours as well as a wider option of payment methods, while 23% of felt that the service provided by their frequented food retailer was poor. 2% strongly agreed that the retailer's services were very convenient while 11% strongly disagree that they never have to wait in a queue for long periods to pay.

#### **4.4 Statistical outputs summary**

To assist the researcher with statistical analysis of each participant's perception of service quality and to validate the findings presented above, a Principal Component Factor Analysis, a data reduction technique that uses correlations between data variables was conducted. It assumes that some underlying factors exist that explains the correlations or inter-relationships among observed variables. The Principal Component Factor Analysis with Varimax rotation, the results of the Kaiser-Meyer-Olkin (KMO) test for sample adequacy, the Bartlett test of Sphericity and the t-statistic significance test indicated that the factor analysis method was appropriate. This statistical data analysis for this study followed the approach in Siu and Cheung (2001) to understand the general trend that different answers about every dimension of the RSQS received from the respondents because the overall impression of the service quality was considered to be multidimensional and the perception of the different dimensions as inconsistent. Figure 4.6 below shows the factor loadings and descriptive statistics of all the sub-dimensions considered in this study.

**Table 4.2: Factor Loadings of indicators of food retail service quality**

Code	Dimension	Factor Loadings	Mean	Std.
	<b>Factor 1: Physical aspects</b>			
Q9	I regard the service quality offered by the retailer as important.	0.917	2.13	1.042
Q10	The store has modern equipment, fittings and fixtures.	0.900	2.10	0.846
Q11	I find it easy to locate goods that I intend to purchase.	0.903	1.92	0.935
Q12	The store is spacious.	0.904	1.94	0.933
Q20	The sales personnel is neat and professional.	0.907	1.90	0.945
Q23	Neatness of the store.	0.872	4.14	0.899
Q24	Attractiveness of the store.	0.901	3.99	0.800
Q25	Easy for me to move around.	0.851	4.15	1.003
Q26	Easy to find goods.	0.834	4.19	0.953
	<b>Factor 2: Reliability</b>			
Q8	I regard the service quality offered by the retailer as important.	0.802	1.63	0.646
Q13	The goods sold by the retailer are always in stock.	0.985	2.38	0.990
Q16	Cashiers make mistakes when recording purchases at the till point.	0.969	2.40	0.969
Q32	The overall service I receive from the chosen retailer.	0.856	3.98	0.778
	<b>Factor 3: Personal Interaction</b>			
Q14	The sales personnel is friendly and helpful.	0.928	2.36	0.851
Q15	The sales personnel is available when required to assist.	0.927	2.19	0.851
Q22	I will be willing to pay more for the same products from a food retailer that offers me a better service.	0.901	2.11	0.861
Q29	The store's products quality.	0.838	4.23	0.886
Q30	The store's products price.	0.902	3.99	0.898
	<b>Factor 4: Problem-solving</b>			
Q19	I find it easy to complain when dissatisfied with the retailer or their products.	0.939	3.40	1.091
Q21	Sales personnel is knowledgeable of the store's products and policies regarding returns or exchange.	0.897	2.66	1.203
Q27	Personnel is friendly and eager to assist.	0.973	3.74	1.080
Q28	Personnel is knowledgeable about the products.	0.950	3.88	1.012
	<b>Factor 5: Store policy</b>			
Q17	The retailer has convenient parking.	0.788	2.19	0.984
Q18	I never have to wait in a queue for long periods to pay.	0.646	3.74	1.057

Q31	The store's products price.	0.733	3.91	1.010
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The standardized factor loadings of the variables in each of the retail service quality factors are greater than 0.60 which indicate the content validity. Based on the scale on 1 representing “strongly agree” and 5 representing “strongly disagree”, among the five factors analysed, Factor 3 (personal interaction) had the poorest mean score of 4.23 on that the store's products were good quality. This shows that the respondents perceive that the food products being offered are not good quality. Factor 3 was followed by Factor 1 (physical aspects), which had a mean scores which showed that customers disagree that; it is easy to locate goods (4.19), easy to move around (4.19) and the store was neat (4.14). The reliability factor had the highest mean score of 1.63 where respondents agreed that they regard the service quality offered by the retailer as important. This indicated that youth value and appreciate a food store that offers high-quality merchandise and consumer service. Considering the standard deviation of the responses, there was consistency in the perception of overall service quality they received from the chosen retailers, which had the lowest standard deviation of 0.778. However, the respondents tend to agree that the overall service quality offered by their food retailer of choice was not satisfactory. In contrast, there was a wide variation in responses on Factor 4 (problem-solving) where the respondents did not agree on whether sales personnel is knowledgeable of the store's products and policies regarding returns or exchange. However, a large number acknowledged that they were uncertain on this variable.

#### **4.4.1 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin (KMO) test is a measure of how suited research data was for Factor Analysis. The test measures sampling adequacy for each variable in the model and for the complete model. The statistic is a measure of the proportion of variance among variables that might be common variance. The lower the proportion, the more suited the research data was to Factor Analysis.

**Table 4.3 Kaiser-Meyer-Olkin and Bartlett's test**

Dimension	Adequacy	Chi-Squared	Significance	df
Factor 1: Physical aspects	0.896	2988.344	0.0000	36
Factor 2: Reliability	0.818	869.282	0.0000	6
Factor 3: Personal Interaction	0.840	1083.374	0.000	10
Factor 4: Problem solving	0.849	958.024	0.000	6
Factor 5: Store policy	0.845	530.864	0.000	3

The result of sampling adequacy and Sphericity in indicated that the principal component factor analysis method was appropriate and the data was adequate for the tests. The Adequacy of above 0.8 (rule of thumb), Chi-squared above 500 and significance of less than 0.0500 validates that the Factor Analysis was an appropriate test and was significant, and also that the sample was adequate.

#### **4.4.2 Variance Analysis with Eigenvalues**

Since the Principal Component Factor Analysis summarises the information in a correlation matrix, Bro and Smilde (2014:2815) elaborated that the total amount of variance in the correlation matrix can be calculated by adding the values on the diagonal. This is because each element on the diagonal of the correlation matrix has a value of 1 and the total amount of variance also corresponds to the number of observed variables. Therefore the total amount of variance is partitioned into different parts where each part represents the variance of each component. Then the eigenvalues represent the amount of variance associated with each component. Below is Table 4.4 presenting results of the total variances in the Alpha method of extraction factoring as well as the extraction of sum of squared factor loadings.



**Table 4.4: Alpha Method of extraction factoring**

		Variance Explained (Eigenvalues)	
		Total	% of Variance
<b>Code</b>	<b>Dimension</b>		
<b>Factor 1</b>	<b>: Physical aspects</b>		
Q9	I regard the service quality offered by the retailer as important.	7.310	81.221
Q10	The store has modern equipment, fittings and fixtures.	1.119	12.432
Q11	I find it easy to locate goods that I intend to purchase.	0.206	2.289
Q12	The store is spacious.	0.135	1.503
Q20	The sales personnel is neat and professional.	0.082	0.912
Q23	Neatness of the store.	0.055	0.616
Q24	Attractiveness of the store.	0.045	0.498
Q25	Easy for me to move around.	0.026	0.293
Q26	Easy to find goods.	0.021	0.0237
	Extraction Sums of Squared Loadings: Total = 7.099, % of Variance = 78.880		
<b>Factor 2</b>	<b>: Reliability</b>		
Q8	I regard the service quality offered by the retailer as important.	3.447	86.177
Q13	The goods sold by the retailer are always in stock.	0.314	7.848
Q16	Cashiers make mistakes when recording purchases at the till point.	0.210	5.256
Q32	The overall service I receive from the chosen retailer.	0.029	0.719
	Extraction Sums of Squared Loadings: Total = 3.285, % of Variance = 82.134		
<b>Factor 3</b>	<b>: Personal Interaction</b>		
Q14	The sales personnel is friendly and helpful.	4.237	84.733
Q15	The sales personnel is available when required to assist.	0.450	9.004
Q22	I will be willing to pay more for the same products from a food retailer that offers me a better service.	0.145	2.909
Q29	The store's products quality.	1.101	2.012
Q30	The store's products price.	0.067	1.342
	Extraction Sums of Squared Loadings: Total = 4.050, % of Variance = 80.994		
<b>Factor</b>	<b>: Problem-solving</b>		

<b>4</b>			
Q19	I find it easy to complain when dissatisfied with the retailer or their products.	3.650	91.256
Q21	Sales personnel is knowledgeable of the store's products and policies regarding returns or exchange.	0.182	4.544
Q27	Personnel is friendly and eager to assist.	0.118	2.950
Q28	Personnel is knowledgeable about the products.	0.050	1.250
	Extraction Sums of Squared Loadings: Total = 3.537, % of Variance = 88.413		
<b>Factor 5</b>	<b>: Store policy</b>		
Q17	The retailer has convenient parking.	2.659	88.619
Q18	I never have to wait in a queue for long periods to pay.	0.278	9.281
Q31	The store's products price.	0.063	2.100
	Extraction Sums of Squared Loadings: Total = 2.375, % of Variance = 86.441		

In the variance test results presented above, the 24 items of service quality categorised into five factors with eigenvalues. The total extraction sums of squared loadings of 7.099 in physical aspect factors, which explains 78.88% of the item variance. For reliability, the total extraction sums of squared loadings were 3.285, explaining 82.13% of the item variance. On personal interactions, the total extraction sums of squared loadings were 4.050, which was 80.99% of item variation. For problem-solving, 3.537 was the total extraction sums of squared loadings, which accounted for 88.41% of item variance. Lastly, on store policy, the total extraction sums squared loadings were 2.375, being 86.44% of the total variation. All the total extraction sums of squared loadings are above 1.00 and the variances are close to 100%, which showed that a considerable variation in the service quality model was accounted for. The five factors and the loadings are accepted as significant, showing that the overall model of the scale used in this study was satisfactory (Cronbach Alpha coefficient = 0.944).

#### **4.5 Overall service quality and the dimensions**

The table below examines the relationship between each of the five factors and the overall service quality perception of the respondents. Thus it gives a summary of how each dimension contributes to the overall service quality perception of customers.

**Table 4.5: Overall service quality and the five dimensions**

Code	Dimension	Coefficient	Std. Error	Significance
<b>Physical aspects</b>				
Q9	I regard the service quality offered by the retailer as important.	0.175	0.043	0.000
Q10	The store has modern equipment, fittings and fixtures.	-0.071	0.047	0.132
Q11	I find it easy to locate goods that I intend to purchase.	0.006	0.056	0.912
Q12	The store is spacious.	-0.012	0.063	0.852
Q20	The sales personnel is neat and professional.	-0.044	0.035	0.207
Q23	Neatness of the store.	0.296	0.044	0.000
Q24	Attractiveness of the store.	0.748	0.042	0.000
Q25	Easy for me to move around.	-0.190	0.058	0.001
Q26	Easy to find goods.	0.0.31	0.057	0.0593
	$R^2 = 0.881$ , $DW = 0.251$ , $F\text{-stat} = 63.920$			
<b>Reliability</b>				
Q8	I regard the service quality offered by the retailer as important.	0.136	0.081	0.094
Q13	The goods sold by the retailer are always in stock.	0.430	0.140	0.002
Q16	Cashiers make mistakes when recording purchases at the till point.	0.165	0.139	0.234
Q32	The overall service I receive from the chosen retailer.	0.000	0.000	0.000
	$R^2 = 0.788$ , $DW = 0.341$ , $F\text{-stat} = 28.921$			
<b>Personal Interaction</b>				
Q14	The sales personnel is friendly and helpful.	-0.177	0.055	0.001
Q15	The sales personnel is available when required to assist.	0.182	0.068	0.008
Q22	I will be willing to pay more for the same products from a food retailer that offers me a better service.	0.250	0.062	0.000
Q29	The store's products quality.	0.081	0.047	0.084
Q30	The store's products price.	0.547	0.053	0.000
	$R^2 = 0.978$ , $DW = 0.344$ , $F\text{-stat} = 74.348$			
<b>Problem solving</b>				
Q19	I find it easy to complain when dissatisfied with the retailer or their products.	0.024	0.053	0.646
Q21	Sales personnel is knowledgeable of the store's products and policies	0.144	0.052	0.006

	regarding returns or exchange.			
Q27	Personnel is friendly and eager to assist.	0.416	0.077	0.000
Q28	Personnel is knowledgeable about the products.	0.090	0.076	0.236
	$R^2 = 0.978$ , $DW = 0.344$ , $F\text{-stat} = 74.348$			
<b>Store policy</b>				
Q17	The retailer has convenient parking.	-0.575	0.000	-4.116
Q18	I never have to wait in a queue for long periods to pay.	0.350	0.053	6.568
Q31	The store's products price.	-0.318	0.0025	5.500
	$R^2 = 0.725$ , $DW = 0.181$ , $F\text{-stat} = 151.32$			

Under physical aspects, customers value the service quality offered by the retailer as very important, the neatness of the store, attractiveness of the store, easiness to move around as they are highly significant because their p-value was less than 0.05. However, customers tend to place less emphasis on store having modern equipment, fittings and fixtures, easiness to locate goods that they intend to purchase, the spaciousness of the store, professionalism and neatness of sales personnel, as they are relatively insignificant. The R-squared of 88%, Durbin Watson coefficient of 0.25 and the F-statistic of 63.92, shows that the physical aspects are generally significant in the regression model of overall service quality perception.

On reliability aspects, customers emphasized that they are more worried about the availability of goods sold by the retailer as they are not always in stock. This aspect is highly significant to the overall service quality perception because its p-value was less than 0.05. In contrast, the issue of cashiers making mistakes when recording purchases at the till point was less emphasised as it was relatively insignificant. The R-squared of 79%, Durbin Watson coefficient of 0.341 and the F-statistic of 28.92, show that the reliability aspects are also significant in the regression model of overall service quality perception.

The personal interaction aspect was based on the sales personnel being friendly, helpful and available when required to assist, the store's products price. The responses show that if the retailer does not have a good personal interaction, the customers were willing to pay more for the same products from another food retailer

that offers them a better service quality on personal interaction. This aspect is also highly significant to the overall service quality perception with its p-value less than 0.05. On the contrary, even if customers may not receive quality products, they will still regard the food retailer as a store of choice if the other personal interaction sub-dimensions are satisfactory. The R-squared of 98%, Durbin Watson coefficient of 0.344 and the F-statistic of 74.35, show that the personal interaction aspects are also significant in the regression model of overall service quality perception.

On the last 2 aspects, problem-solving and store policy, customers place more emphasis on sales personnel that is knowledgeable of the store's products and policies regarding returns or exchange, which highly significant to the overall service quality perception with its p-value less than 0.05. On the contrary, customers seem not to be eager to complain when dissatisfied with the retailer or their products, convenient parking or waiting in a queue for long periods to pay. The R-squared, Durbin Watson coefficient and the F-statistic show that the two aspects are also significant in the regression model of overall service quality perception.

#### **4.6 Conclusion**

This chapter presented results from demographic characteristics and shopping behaviour of respondents in which the majority falls under the youth bracket. Thereafter, results of the descriptive statistical test on retail service quality and satisfaction quality were presented. Based on the components of the RSQS, results of the five dimensions principal component analysis, the KMO and Bartlett's Test of sample adequacy and sphericity of data was presented. The data presentation chapter ends with results of the Variance Analysis with Eigenvalues and multiple regression models to test the significance of each of the sub-dimensions in the 5-aspects of RSQS in the overall service quality model. The results are consistent in proving that the data and statistical tests in this study were sufficient and valid.

## CHAPTER FIVE: DISCUSSION OF KEY FINDINGS

### 5.1 Introduction

This chapter discusses the key findings of this study which were presented in chapter four in relation to the literature that was analysed in chapter two. Thus, this chapter brought forth literature to support or conflict with the research findings to allow the researcher to draw insight into the findings and employ cross analysis where applicable. The discussion has been categorised into the following areas: youth shopping behaviour, service quality satisfaction, importance of service quality dimensions, and retailer specific youth perceptions of service quality of their most frequented retailers.

### 5.2 Youth shopping behaviour

The majority of respondents spend between thirty minutes to an hour shopping for food, again supporting the idea that convenience goods were bought and very little decision making had to be made.

The majority of the participants chose Pick n' Pay as their retailer of choice that they frequented the most. A closer analysis shows that Pick n' Pay could have been frequented the most for three major reasons. First, the store is located closest to the university campus and halls of residents, making it easy and convenient to access the store. Second, a significant number of participants are on the National Student Financial Aid Scheme (NSFAS), which offers students with financial support in the form of grocery vouchers that are usually redeemable in Pick n' Pay stores only. Lastly, there is a perception that Pick n' Pay offers both quality products and cheaper prices, which makes it an affordable food retailer. For these reasons, contrary to Bialkova *et al.* (2014:143) who pointed out that the majority of women and youth aged 16 to 25 enjoy shopping for pleasure, it can therefore be argued that, they shop for both convenience and affordability.

Following the same argument, the findings contrast Klopota *et al.* (2016:83), who argued that youth customers have more disposable income than other demographics because they do not have other expenses like a mortgage payments, student loan payments or other debts to pay. Thus, in shopping terms, disposable income is another way of saying 'spendable' income. There is evidence that the majority of the participants on the NSFAS financial support are financially constrained. Therefore

they barely have sufficient disposable income to sustain themselves. The number of times the participants shopped at their most frequented large food retailer, which is two to four times a week, could be evidence that they buy groceries in small quantities because of stringent budgets.

Shoprite, Pick n' Pay and Spar are the retailers of choice for the majority of the respondents. With regards to brand image, these retailers target market is usually low to middle-income earners who are price sensitive. Thus, this result further contrast with Anselmsson *et al.* (2014:95), who also argue that youths are more concerned and worry about their image more than other demographics. If the popularity and peer pressure in social circles such as universities were pressurising them to stay abreast of current trends, which involves spending money, the participants would have chosen Woolworth and Makro as their food retailer of choice as they are perceived as retail brands for the affluent high-income earners. These findings are thus concurring with Wang *et al.* (2014:1063), who contend that even though youths might not have other large expenses, they are still concerned about the price in the stores they buy from. Hence, in addition to peer pressure and personal style in store selection, many youths are influenced by price.

### **5.3 Service quality satisfaction of their most frequented retailer**

The majority of participants surveyed felt that service quality offered by food retailers is important to them as part of their shopping experience. This findings concur with Rahman *et al.* (2012), who acknowledged that there is a link between the two concepts of service quality and customer satisfaction. This is consistent with Hoffman and Bateson (2016:333) and Negi (2009:31) who also believe that customer satisfaction leads to service quality. It could be argued according to Meidutė-Kavaliauskienė *et al.* (2014:335) that the perception of youth consumers on service quality is based on their expectations and experiences every time they visit the food retailers of their choice. Thus the perception and expectation on customer service quality insights are reviewed or cemented and revised over time.

As a large number of participants indicated that the service quality offered by their most frequented retailer was average or adequate service quality. The outcome that the personal interaction aspect of their food retailer was not satisfactory as sales personnel were not very friendly, helpful and unavailable when required to assist shows that the youth customer value service quality. This is further supported by the

results that the participants were willing to pay more for the same products from another food retailer that offers them a better service quality on personal interaction. This supports the literature that retailers are increasingly losing their customers because they are not aware of the benefits of providing good service quality and are not prioritising their level of service offering (Fraering and Minor, 2013; Ivanauskien and Volung, 2014; Segoro, 2013).

#### **5.4 Importance of key service quality dimensions**

The findings in this study show that youth customers also identified service quality attributes were very important especially convenience. Thereafter, product quality and personnel knowledge (65%) were important and finally, personnel friendliness (62%). These findings support the importance of the convenience in a food retailer and customer demand for product quality raised by Blem (2010:015). This further support the body of literature which argues that the quality of services differs from one target market to another and the standard of service quality differs from one consumer to another (Lee, 2010; Meidutė-Kavaliauskienė et al., 2014; Segoro, 2013). Although the youth customers are stereotyped as sophisticated and informed customer bracket that demand high levels customer service according to Kursunluoglu (2014:530), the findings prove otherwise. Retailers can still differentiate themselves through their service offering especially on convenience to improve youth customer satisfaction. The findings are in support of Phiri and Mcwabe (2013:98) who also find that service quality is linked to expectations and perceptions of the *product* that is offered to the market for attention, acquisition, use or consumption. Below, the discussion considers each of the service quality dimensions.

##### **5.4.1 Physical aspects**

Physical aspects include tangible factors such as store layout, aesthetically pleasing furniture, fittings, fixtures, colour, materials, lighting and style of store. Also included are stationary, brochures, posters, and personnel appearance (Mehta *et al.*, 2000:63). Participants rated the store neatness and modern appearance as very crucial on the physical aspects of service quality dimension. It is evident that most of the large food retailers in the Cape Metropolis frequented by the respondents are perceived to have a high level of physical elements regarding service quality.



#### **5.4.2 Reliability**

*Reliability* refers to the extent that the retailer fulfils promises, provides the right service, conducts error free sales transactions and has stock available (Parasuraman *et al.*, 1988:410). The findings show that a large percentage (43%) of respondents agree that the food retailer they shopped from was reliable in providing right service, while 39% were uncertain whether the goods they wanted were always available. 15% disagreed that their purchase transactions and records were free of errors as cashiers make mistakes when recording purchases at the till point. Only 2% strongly agree that they regard the service quality offered by the retailer as reliable as goods sold by the retailer are always in stock. An insignificant 1% respondents strongly regarded the overall service they received from the chosen retailer as unreliable.

These results are evidence that youth customers do not see their large food retailers of choice as having a high level of reliability. It could be either sales personnel was always available or the goods were not always in stock. These are indicative of major weaknesses for food retailers. This can also be explained from retailers "high sales effect", especially on month end and weekends can be very busy, further pressurising retailer systems to deliver and deliver efficiently and effectively. However, the result is too often poor service quality which can lead to customer dissatisfaction.

#### **5.4.3 Personal interaction**

*Personal interaction* refers to the retailer's interaction with customers including product knowledge by the retailer's personnel and sales personnel, inspiring confidence, customer courtesy and telephone etiquette (Terblanche *et al.*, 2013:272). A moderate 52% of respondents felt that they were neutral on whether the sales personnel of their preferred food retailer was friendly and eager to assist them when shopping, while 26% pointed that the sales staff is was not friendly or helpful. However, 17% of them agree that the sales staff was available when required to assist, thus they will be willing to pay more for the same products from a food retailer that offers them a better service. The remaining 3% strongly agree that the store's products are quality and their personal interactions were satisfactory.

Ivanauskien and Volung (2014:115) pointed out that personal interaction is the centre of relationship marketing. Furthermore, relationship marketing is closely linked to customer loyalty for businesses to survive in today's competitive environment by

constructing a wide base of loyal customers (Segoro, 2013). Thus, the results are evidence that the retailers still have low personal interaction service quality dimension. This finds support for Blem (2010:64) who observes that companies lose on average 20% of their customers on a yearly basis because of lack of personal interaction. Given that it costs more to acquire new customers than to retain existing customers according to Timm (2013:40), it is advisable for retailers to invest more on personal interaction and retain customers. Personnel image should enhance the retailer's brand and promote professionalism, clearly a major strength for the retailers.

#### **5.4.4 Problem-solving**

*Problem-solving* refers to the retailer's ability to handle customer complaints and customer problems that arise from inadequate service or poor product performance (Mehta *et al.*, 2000:63). More than half of respondents felt that the way in which store resolves customer problems is not satisfactory at a food retailer. In addition, 24% strongly disagreed that it is easy to complain when dissatisfied with the retailer or their products, in contrast, only 3% thought the sales staff is knowledgeable about the store's products and policies regarding returns or exchange. However, the largest percentage of 31% were uncertain about the staff knowledge about the products and store's policy on complaints, returns or exchange.

As Ramanathan *et al.* (2017:37) pointed out that dissatisfied consumers are more likely to want an explanation as to why the problem occurred, assurance that it will not happen again and a platform to vent their frustrations, as opposed to wanting free merchandise. It clear that the ability to solve problem is a material concern to customers' service quality evaluation. Hence, in line with Ramanathan *et al.* (2017:37), it can be concluded from the findings that the ability of a business to resolve customer problems in the right manner can greatly assist to avoid losing customers, uplifting customer retention, and even influencing other people to support that business. Thus, handling customer complaints is part of ways to retain customers.

#### **5.4.5 Policy issues**

On policy dimension capture aspects of service quality that is directly influenced by retailers' policy, which includes high-quality merchandise, convenience of parking and operating hours as well as accepting major credit cards, specific norms and

values of a company (Simmers and Keith, 2015:123). Of the respondents surveyed, 18% felt that their frequented food retailer offers convenience of parking, operating hours as well as a wider option of payment methods, while 23% of felt that the service provided by their frequented food retailer was poor. 2% strongly agreed that the retailer's services were very convenient while 11% strongly disagree that they never have to wait in a queue for long periods to pay. Although most of the respondents may not be owning cars, they seem to value the car parking convenience for other customers.

### **5.5 Youth perceptions of service quality**

The results show that most respondents were females between the ages of 18 and 21, of a black racial background. The chosen food retailers are traditional brands that have been in retail business for centuries. Although the youth customer expectations and perceptions of service quality are believed to have become more complex in the past century (Bialkova *et al.*, 2014:85), their loyalty to the traditional food retailers seems to have endured the test of time. This is contrary to Joseph and Singh (2013:2252) who posit that it is more difficult to establish loyalty in youth customers than in other demographics because customer sophistication usually begins with youth customers. The findings further show that the participants placed less emphasis on complaints and problem-solving. Hence, in contrast to Steiner *et al.* (2016:285), the problem of resolving complaints is insignificant in maintaining loyalty although many youth customers may be increasingly voicing their concerns and complaints via social media. Finally, aligning with the argument by Istanbuluoglu (2017:42), youth consumers often want to avoid complaints rather than solving them after they happen, this is evidenced by the statistical test showing significance in sales personnel that is knowledgeable about store's products and policies regarding returns or exchange.

### **5.6 Conclusion**

The chapter discussed the findings of the survey which indicates the food retailer youth frequent the most and their perceptions of service quality of their preferred retailers including retail service quality dimensions which were perceived as more important than others. The chapter also highlighted literature that supports or conflicts with the research findings to allow the researcher to draw insight into the findings where applicable. The main theme of the discussion of findings was the food

retailers are falling below the expectations of the youth customers in service quality satisfaction.

## **CHAPTER SIX: KEY FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **6.1 Introduction**

The previous chapter discussed the findings of this study on youth customers' perceptions of service quality of their preferred retailers including retail service quality dimensions which were perceived as more important. The chapter also highlighted literature that supports or conflicts with the research findings to allow the researcher to draw insight into the findings. The main theme of the discussion of findings was the food retailers are falling below the expectations of the youth customers in service quality satisfaction. This chapter thus draws conclusions and makes recommendations on what service quality dimensions food retailers may improve to remain competitive and secure their future business. However, before conclusions and recommendations are made, it's imperative to re-visit the study's research questions. Thus, the chapter proceeds as follows; following the research questions is the summary of the key findings, followed by the conclusion. Thereafter recommendations for food retail management are outlined. The chapter concludes with suggestions for further studies.

### **6.2 Research questions:**

#### Primary research question

What are current youth perceptions of service quality of large food retailers in the Cape Metropolis?

#### Secondary research questions

- Which service quality determinants do youth value more than others?
- What are youth perceptions of service quality of their most frequented large food retailers?
- Which service quality determinants should retailers improve on?

### **6.3 Summary of key findings**

To draw conclusions on the research questions, a brief summary of the research findings from the empirical analysis are given. The empirical analysis youth customers' perception of service quality of food retailers in Cape Metropolis applied the RSQS model to measure service quality. Following every aspect of the RSQS model, empirical findings are as follows.

### **6.3.1 Physical aspects**

A significant 53% of the respondents were uncertain on whether the physical aspects were satisfactory, whereas 24% agreed that the store was attractive, neat and spacious, 17% of the respondents disagree that the store has modern equipment, fittings and fixtures, a few respondents (3%) strongly disagree that the sales staff is neat and professional, however another 3% strongly agree that they find it easy to locate goods that they intend to purchase and regard the service quality offered by the retailer as satisfactory. The majority of respondents however felt that physical aspects of the retailer were important, while only a smaller fraction of those surveyed felt that neatness of the retailer was insignificant.

Under physical aspects, customers value the service quality offered by the retailer as very important, the neatness of the store, attractiveness of the store, easiness to move around as they are highly significant because their p-value was less than 0.05. However, customers tend to place less emphasis on store having modern equipment, fittings and fixtures, easiness to locate goods that they intend to purchase, the spaciousness of the store, professionalism and neatness of sales staff, as they are relatively insignificant. The R-squared of 88%, Durbin Watson coefficient of 0.25 and the F-statistic of 63.92, shows that the physical aspects are generally significant in the regression model of overall service quality perception.

### **6.3.2 Reliability aspects**

A large percentage (43%) of respondents agree that the food retailer they shopped from was reliable in providing right service, while 39% were uncertain whether the goods they wanted were always available. 15% disagreed that their purchase transactions and records were free of errors as cashiers make mistakes when recording purchases at the till point. Only 2% strongly agree that they regarded the service quality offered by the retailer to be reliable as goods sold by the retailer were always in stock. An insignificant 1% respondents strongly regarded the overall service they received from the chosen retailers as unreliable. On reliability aspects, customers emphasized that they were more worried about the availability of goods sold by the retailer as they are not always in stock. This aspect was highly significant to the overall service quality perception because its p-value was less than 0.05. In contrast, the issue of cashiers making mistakes when recording purchases at the till point was less emphasised as it was relatively insignificant. The R-squared of 79%,

Durbin Watson coefficient of 0.341 and the F-statistic of 28.92, show that the reliability aspects are also significant in the regression model of overall service quality perception.

### **6.3.3 Personal Interaction**

A moderate 52% of respondents felt that they were neutral on whether the sales staff of their preferred food retailer was friendly and eager to assist them when shopping, while 26% pointed that the sales personnel was not friendly or helpful. However, 17% of them agree that the sales personnel was available when required to assist, thus they will be willing to pay more for the same products from a food retailer that offers them a better service. The remaining 3% strongly agree that the store's products were quality and their personal interactions were satisfactory.

The personal interaction aspect was based on the sales staff being friendly, helpful and available when required to assist, the store's products price, that if the store does not have a good personal interaction, the customers were willing to pay more for the same products from another food retailer that offers them a better service quality on personal interaction. This aspect was also highly significant to the overall service quality perception with its p-value less than 0.05. On the contrary, even if customers may not receive quality products, they will still regard the food retailer as a store of choice if the other personal interaction sub-dimensions are satisfactory. The R-squared of 98%, Durbin Watson coefficient of 0.344 and the F-statistic of 74.35, show that the personal interaction aspects were also significant in the regression model of overall service quality perception.

### **6.3.4 Problem-solving**

A total of 30% of respondents felt that the way in which store resolves customer problems is not satisfactory at a food retailer, but 12% of the respondents felt problem-solving by the retailer was satisfactory. 24% strongly disagreed that it is easy to complain when dissatisfied with the retailer or their products, in contrast, only 3% thought the sales staff is knowledgeable about the store's products and policies regarding returns or exchange. However, the largest percentage of 31% were uncertain about the staff knowledge about the products and store's policy on complaints, returns or exchange. On problem-solving and store policy, customers place more emphasis on sales staff that is knowledgeable of the store's products and

policies regarding returns or exchange, which highly significant to the overall service quality perception with its p-value less than 0.05. On the contrary, customers seem not to be eager to complain when dissatisfied with the retailer or their products, convenient parking or waiting in a queue for long periods to pay. The R-squared, Durbin Watson coefficient and the F-statistic show that the two aspects are also significant in the regression model of overall service quality perception.

### 6.3.5 Store policy

Of the respondents surveyed, 18% felt that their frequented food retailer offers convenience of parking, operating hours as well as a wider option of payment methods, while 23% of felt that the service provided by their frequented food retailer was poor. 2% strongly agreed that the retailer’s services were very convenient while 11% strongly disagree that they never have to wait in a queue for long periods to pay.

## 6.4 Conclusion

The conclusion on youth consumers’ perception of service quality in food retailers in Cape Metropolis is drawn according to the dimensions of the RSQS model and each research question as follows.

### 6.4.1 Research question 1: Which service quality determinants do youth value more than others?

This question was answered by the factor loadings analysis in which the factor loadings were ranked according to their scorings in the table below.

**Table 5.1: Service importance dimensions rated by youth customers**

Aspect	Attributes	Ranking	Score
Personal Interaction	Product and service quality	1	4.23
Physical aspect	Easy to find goods	2	4.19
Physical aspect	Easy to move around	3	4.15
Physical aspect	Neatness of store	4	4.14
Personal interaction	Product price	5	3.99
Physical aspects	Attractiveness of the store	6	3.99
Personal interaction	Personnel knowledge	7	3.88
Problem solving	Waiting in queues	8	3.74



Of the retail service quality dimensions, personal interactions and physical aspects ranked above the rest. The product and overall service quality sub-dimension was perceived as most important. This supports the trend of people (including youth) seeking value (quality) products instead of price solely, particularly in the South African economic context. Another physical aspect deemed important to youth was the visual look and neatness of the store was ranked equally important as well as the ease movement in the store.

#### **6.4.2 Research question 2: What are youth perceptions of service quality of their most frequented large food retailer?**

It can be concluded from the RSQS model analysis that, an overall perceived level of retail service quality in the stores is equal 3.4 that is less than expected level represented by number 4. This means that customers are not fully satisfied with the retail service quality provided in the food retail stores. The regression analysis on the components of consumer service also shows that customers received less than expected experience from the retail stores even though some components are insignificant. To answer the research question on the perception, the analysis shows that the overall perceived service quality is low than the expected level meaning that consumers would desire more than what was offered to them, thus customers are not totally satisfied with the retail service quality in the food stores. This means that customer perceptions on service quality are lower than the expected level, which makes their experience in food retail stores less enjoyable. Therefore, the food retail stores need to make improvements in all the five service quality dimensions in order to meet the expectations of customers and increase customer satisfaction and loyalty.

#### **6.4.3 Research question 3: Which service quality determinants should retailers improve on?**

Based on the findings, to answer the final research question, it is evident that the youth felt that most food retailers scored low on personal interaction and physical aspects. Food retailers need to improve on providing product and service quality, easy to find goods, store neatness and attractiveness. Equally important to youth customers, the youth recognise that there were discrepancies between the recorded price and the advertised price on the shelf while others felt that food retailers made

errors when they pay for goods. These do not only show lack of professionalism but it detracts convenience shopper flow and wastes time for consumers.

The findings also display that youth customers, like most consumers of other ages, do not want to spend time in queues waiting to pay for goods. It can therefore be concluded that, if the food retailers do not address this problem, they will continue to lose customers in the near future. It is thus incumbent on food retailers to increase their through-put of customers paying and leaving the store. Moreover, food retailers need to solidify their stock control to ensure that the products are always available. Furthermore, regarding personal interaction, retailers need to ensure that their sales personnel is available for customers (on the floor) to respond to inquiries pertaining to products or product location within the store. This is incredibly important as most customers want to find the desired products with minimal effort and in a short space of time.

From the rankings of service quality aspects, it is observed that the store problem-solving service quality dimension is of material concern to food retail customers. If a store's problem-solving aspect is poor and customers also feel that the retailer does not make it easy for them to complain, it is detrimental to retailers as weaknesses are not brought to their attention. As the study by Baines *et al.* (2013:345) highlights, the ergonomics of the store, the ease of finding goods and services, and the effortlessness of moving around the store are all quite important to youth. It can be concluded that, these aspects are a great necessity for shopping convenience, which is a strong need for youth customers when shopping. Thus, they would rather have more free time than time spent shopping for food.

The results of the analysis were also evident that product price and quality are the "two most central dimensions" in customer perceptions of a retail store and purchasing decisions as cited by Fernie *et al.* (2015:243). However, this study however showed that service quality was the more important buying motive over price. This could be attributed by people (including youth) being more cash strapped and hence more value driven. This can also be explained in terms of the disposable income of youth customers. Contrary to the perception that youth customers have high disposable income because they do not have responsibilities (Joseph and Singh, 2013:143), most youth customers do not have large disposable income, if any.

As a significant number of respondents admitted that they would be willing to pay more for the same goods and services in exchange for better service quality, it indicates that most of the available large food retailers are not adequately satisfying the quality expectations of the customers, although they indicate that they were overallly satisfied. Drawing conclusion from Ferrell and Hartline (2011:378), who assert that customers naturally do not take interest in raising negative feedback, it can be concluded that unsatisfied customers usually simply defect to a competitor who manages their service quality dimensions effectively.

### **6.5 Recommendations to large food retailers**

The youth remain an important target market for most businesses. But for large food retailers in particular, the youth present an opportunity to create long-term repeat buyers through the generation of long-term relationships. Research by Dunne *et al.* (2013:483) support the notion that service quality is a major forecaster of customer loyalty-related intentions. Thus, from a strategic view, management needs to inculcate a culture of enhanced service quality delivery in all the five dimensions of the RSQS model. Hence, top management should be willing to bear with temporary difficulties and increased costs associated with improving service quality and the store managers should lead their subordinates by example by showing their commitment to provide service quality, especially those who deal directly with customers.

The personnel hired must be equipped with the core values of upholding high customer service in all aspects of the RSQS. Hence, frontline personnel needs to receive regular training and professional development to improve their level of personal interaction with consumers. Furthermore, before personnel can be trained and developed, the “right people” must be hired. Emphasis should be placed on recruiting people that have the ‘right’ personal competencies for a greater likelihood of providing high levels of service quality. All retail personnel, including management, should be incentivised to adopt a culture of service quality and for personnel to provide consistently high levels of service quality. It is therefore apparent for food retailers to establish service standards to guide employees.

It is recommended that food retail management be mindful that all service quality determinants need to be given attention (physical aspects; reliability, personal interaction, problem-solving and general policy), not just one or a few, but each of

them warrants attention. Subsequently, there is need for food retailers to continuously measure their customers' perception of their service quality because the industry is fast changing. With online stores and efficient delivery systems being initiated by companies like Amazon, Takealot and Loot, the dynamics in the retail industry may be against the brick and mortar stores that are not emphasising customer satisfaction. It is therefore imperative for retailers to solicit customer opinions and invite customer feedback on a regular basis to constantly assess service quality levels to ensure that service quality standards are upheld.

It is also important to note that different demographic markets may undervalue or overvalue different service quality dimensions as noted by Lovelock and Wirtz, (2015:396). For example, even though the youth were satisfied with the levels of sales effort from personnel, personnel was perceived as not always being available in the store, a perception that is detrimental to the reliability from the retailer. Thus, proper systems need to be in place to ensure reliability of personnel because highly personalised service will have a positive impact on consumer perceptions of store image.

When customers are paying at cashiers, the length of service delivery is another perceived notable weakness of most large food retailers. Many large food retailers' products are in heavy demand, particularly during weekends and holidays, and this exacerbates the problem. Retailers need to improve on their payment systems to minimise this problem, possibly by considering automating the whole payment systems. Alternatively, food retailers may deploy a variety of tactics for decreasing waiting time in lines and at the tills such as deploying more personnel to be readily available and other creative plans like rewarding customers for shopping during low peak periods.

Furthermore, food retailers need to be mindful that the findings revealed that females were more sensitive to service quality than males. According to Kimes and Collier (2015:243), females shop more groceries than males and are more likely to defect to competitors if the level of service quality remains inferior. Consequently, if food retailers lose their quality conscious female customers to competitors, it is much more difficult to court them back or attract new ones. Thus, retailers (including food) need to be cognizant that although retailing is about selling tangible goods, the

retailer's service (comprising all the service quality dimensions) is becoming increasingly important.

#### **6.6 Consideration for further study**

The study investigated youth perceptions of service quality of large food retailers in the Cape Metropolis. Consideration for further study could be to duplicate the study in other regions (KwaZulu Natal, Gauteng, or Limpopo for example) to assess whether the findings would be congruent with those of the Cape. Other areas of further study can include measuring service quality perceptions in other retail contexts (i.e. consumer electronics) other than food.

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## APPENDICES

### APPENDIX A: SERVICE QUALITY QUESTIONNAIRE

#### ON-LINE QUESTIONNAIRE

Dear Student

The purpose of this on-line survey is to obtain your views of service quality of large food retailers in the Cape Metropolis. While it is completely voluntary to participate in this survey, I wish to indicate that your views are important and would be a real contribution towards measuring youth perceptions regarding service quality of large food retailers. Rest assured that you and your input will be treated with honesty, confidentiality and anonymity. Furthermore, because this is purely academic research - ethical codes of good conduct will apply.

1. Indicate your gender?

- Male
- Female

2. Your age in years?

- 18-21
- 22 -25
- 26 -29
- 30 -33

3. With which population group do you associate yourself most with?

- Black
- Coloured
- White
- Indian/Asian
- If other please specify \_\_\_\_\_

4. Please specify one large food retailer you frequent (shop) most often.

- Pick n' Pay
- Shoprite
- Checkers
- Woolworths
- Spar
- Makro
- Ok Bazaar

other \_\_\_\_\_

5. How frequently do you shop at the retailer you have chosen?

- Daily
- 2 to 4 times per week

- Once a week
- Every two weeks
- Once a month

6. How long do you shop?

- Less than ½ an hour
- Between ½ hour and 1 hour
- Between 1 and 2 hours
- 2 hours and more

7. Do you shop alone?

- Yes
- No

**Regarding the retailer you have chosen in question 4. Please answer the following questions**

8. I regard the service quality offered by food retailers important?

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

9. The store is always clean, neat and tidy.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

10. The store has modern looking equipment and fittings/fixtures.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

11. I find it easy to find goods that I intend to purchase.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

12. The store is spacious.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

13. The goods sold by the retailer are always in stock.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

14. The sales personnel is friendly and helpful.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

15. The sales personnel is available when I require assistance.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

16. When paying at the cashier, the cashier makes mistakes when recording your purchases?

- Always
- Most often
- Sometimes
- Not often
- Never

17. The retailer has convenient parking?

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

18. I never have to wait for long periods of time when paying.

- Strongly agree
- Agree

- Uncertain
- Disagree
- Strongly disagree

19. I find it easy to complain when dissatisfied with the retailer or their products.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

20. The sales personnel is neat and professional.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

21. Sales personnels are knowledgeable of the store's products and store policies (e.g. regarding returns or exchanges).

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

22. I would be willing to pay more for a product from a Food retailer that offers me better service.

- Strongly agree
- Agree
- Uncertain
- Disagree
- Strongly disagree

**Please answer the below mentioned questions regarding your chosen retailer.**  
 On a scale of 1 to 5, rate the importance **of each** of the service quality factors to **you**, when shopping at your preferred retailer **(5-being the most important to you and one being the least important)**

23.	Neatness of the store.	1	2	3	4	5
24.	Attractiveness of the store.	1	2	3	4	5
25.	Easy for me to move around in the store.	1	2	3	4	5

26.	Easy to find goods.	1	2	3	4	5
27.	Personnel is friendly, and eager to assist.	1	2	3	4	5
28.	Personnel is knowledgeable about the products.	1	2	3	4	5
29.	The store's quality products.	1	2	3	4	5
30.	The store's price.	1	2	3	4	5
31.	How the store handles customer problems (e.g. exchanges/returns).	1	2	3	4	5

32. The overall service I receive from my chosen retailer is \_\_\_\_\_ ? from a scale of 1-5? (1 being very poor to 5 being excellent)

- 1
- 2
- 3
- 4
- 5

**Thank you for your time**

## APPENDIX B: SAMPLE FRAME

Qualification:	NDRBM		
Number:	440		
Offering Type:	FT YEAR 2nd and 3rd		
S_NO	S_NAME	S_NO	S_NAME
214180689	ABRAHAMS,MS	214006603	ABRAHAMS,E
212289098	ADAM,LS	213184680	ANGELUCCI,AF
214108686	ADONS,Y	214236730	APLOON,Y
213274841	ALEXANDER,RL	204133440	AROSI,A
215223322	BAFO,NM	214147355	BAVUMA,L
214130770	BANGANI,A	213041707	BESHWANA,N
215202325	BAZA,FM	214165701	BHEKAMEVA,M
215184920	BEYERS,TJ	194025519	BOBOTYANA,P
215286642	BIYANI,N	213084104	BOMVANA,SA
215287819	BOKWANA,ZP	213301709	BOOI,Q
215223179	BOM,U	214245314	BOOYSEN,NC
215211626	BRANDER,JD	198091885	BUKANI,TL
215152409	BUKANI,M	214237796	BUQA,W
214325490	CALEDON,C	214216535	CASA,N
213178133	CALEIA,KEC	213153432	CLOETE,G
215011112	CEKISO,S	214137708	DAVIDS,AQ
215237315	CEKWANA,AL	214172902	DYASI,P
214044254	CHARLIE,A	214216144	EVERTSON,MC
214022056	CHEN,L	213096056	FIDDER,A
212042920	CLARKE,N	214270904	FIHLANI,A
215025474	COTTLE,M	213274787	FRANS,M
214232719	DANIELS,L	213226812	GANJANA,L
214314111	DAPULA,S	214321304	GOSO,TC
213006421	DEMBO,EDDJF	213104881	GRILL,TS
215118154	DIKE,S	214322149	GUQULO,Z
213037831	DLABANE,V	214185834	HENDRICKS,S
214326225	DLISANI,B	207076030	HOBONGWANA,JZ
215100875	DUBE,V	211012432	JABE,L
213054043	DYANTYI,N	214119661	KALIMASHE,M
215111125	DYASI,SN	214325458	KENA NKUNA MBUYI,D
215059387	DYONGO,T	214173038	KHATSHWA,Z
215155890	ELMS,K	214262588	LE ROUX,RJ
214214192	FANI,EY	214034151	MADALAMBANE,Z
215013778	FARO,LM	209146990	MADALAMBANE,ZS
215200411	FAULMANN,KE	214246841	MADIKANE,L
215136071	FESTUS,JM	214320200	MADOTYENI,LO
215289196	FOTOYI,XG	205197035	MAGADLA,WO
215287223	GAMNCA,A	214322602	MAGOBIANE,A
214085899	GCELU,V	208171576	MAGUMASHOLO,X
213308614	GCORA,A	213038242	MAGWAXAZA,V
215061543	GERBER,AP	214267458	MAHLINZA,N
215199367	GILA,A	210087692	MAKANDA,A
214061345	GUMBI,CS	214323366	MANI,S
215154541	GWAVU,T	214041638	MASUKU,BZL
215289382	GXABE,N	212230298	MATIWANA,M
215286901	GXONO,S	213247623	MAVUMENGWANA,P
213238985	HALA,ZC	214138224	MAY,NL
215287452	HLAZO,N	214179893	MCWABENI,N
214325555	HLAZO,Q	202037207	MDLELENI,S

215287525	HLUTANI,Z	214048446	MESATYWA,Y
215032012	JACKSON,S	213047802	MGQOBOZI,M
214075214	JACOBS,HJ	214116832	MGUGA,L
215290054	JACOBS,OA	214281396	MHLANA,NG
215140036	JACOBS,T	213225670	MHLANGA,ZL
215295358	JAMDA,SL	214171655	MKONDO,SR
215289803	JANODIEN,MS	214193462	MNGESE,S
215143728	JANUARIE,DD	213227843	MNISI,EN
215095413	JAZA,S	214326292	MNYANDE,N
214040240	JIKUMLAMBO,AL	213140454	MODIMOGALE,ZL
209137827	JIM,AA	214319296	MTALO,S
215258908	JOHNSON,K	212183532	MTELEKWANA,YD
214243435	JONAS,SZ	214047776	MTHETHO,S
215173376	KALIMASHE,N	209048166	MTHI,M
214196976	KASI,BM	214170926	MTUMTUM,N
215061721	KLEINSMITH,TL	214133516	MUNCU,SB
215286936	KONA,Y	214230422	MUZILA,R
215188845	KRWELE,S	209125624	NCWABA,YA
215212517	LAWSON,R	213233118	NGEWU,S
215163923	LE ROUX,CF	213301121	NIKANI,S
215056809	LENGOMAS-BE	213272563	NKONKI,Z
215161254	LUDWANGU,Z	214105431	NONKELELA,P
214118517	LUMA,PN	217300928	NYATHI,O
213050781	LUMKWANA,S	214035905	OTTO,M
215186850	LUTYA,N	214325415	PETU,Z
215062930	MABANTSELA,SL	211072214	QAMATA,WE
215140885	MABASO,L	213234548	QWALANE,L
214127095	MADIKANE,N	214286681	RAMAGOMA,ML
215288092	MADINGA,S	213238268	RAMASHOAI,LT
213298759	MAELANE,K	214113965	SALUKAZANA,T
215136470	MAGERMAN,IM	214252809	SIEED,M
214322173	MAGIDA,P	214322718	SIGCU,L
215174909	MAKHANYA,NJ	214325547	SIXOLO,S
215189183	MAKHOSI,DR	204544467	SOGA,ZA
214316696	MAKI,A	213265257	SOMAGU,N
214114619	MAKUBALO,Z	212192728	THAMAHANE,MP
215288327	MALETA,NE	211052655	TOFU,A
213040883	MALI,A	214095096	TOKWANA,A
213027208	MALIFE,Z	214030911	TOMAS,EE
215017218	MANANGA L,ML	214122751	TYAM,SN
215156471	MANELI,T	214212165	VAN DER WEST ,JJ
215114310	MANGAMELI,A	214323358	VIKILAHLE,AU
210190426	MANQOLA,Y	214322319	WAPI,O
214322297	MANTO,NT	214316092	WASE,N
215137523	MASE,A	214215490	XELANI,XZ
215100921	MASIKO,TF	214143619	XOYANA,FS
215287622	MATA,A	214209741	ZUKELWA,M
214238784	MATEYISI,S	214320189	ZWENI,L
215188772	MATI,M	214254305	ALBINO,ELGD
213256371	MATONDO,D	213290421	AMADHILA,BL
215003578	MAY,NS	212176919	ARIEFF,R
215286235	MAZOLWANA,SI	215065646	BAMBATA,M
215295374	MBATSHA,MN	215218515	BENGO,Z
215286545	MBINI,A	214154696	BOBOTYANA,S

214325520	MBIZA,C	215005120	BORMAN,AV
215287517	MCELUI,N	215018044	COMBI,T
214189864	MCOLWENI,Y	215226054	CORDEIRO,KAR
215132378	MDLANKOMO,L	214283518	DE SOUSA,WR
213271796	MDLOYI,S	211156485	DIYA,M
214270025	MEIRING,RJ	214083381	DODO,S
215114507	MENZIWA,O	214120872	DONGO BADJANGA,A
215224922	MFIHLO,MT	215037162	ECCLES,J
213121387	MGAGULI,S	215286200	EMKIE,EMA
215184327	MGUGA,O	212257080	FALAL,I
215287126	MHLAMBISO,NN	213112191	FORTUNE,W
214138283	MHLAULI,CY	215289900	GOCI,S
215189353	MHLAWULI,Z	214160262	GOGOTYA,AA
214326322	MKATSHWA,A	215282000	GOVENDER,KC
215286995	MKENTANE,B	213119307	GQESHA,L
215285956	MKUBA,YZ	214322378	GWEBITYALA,K
215021568	MKUMATELA,JAL	214006581	ISRAEL,T
215101316	MKUNGELA,B	214308324	JONAS,XG
215008707	MLANDU,A	214128733	JONGA,B
214093891	MMELI,S	214041255	JOXO,H
215292626	MNABISA,L	214102556	KALIMASHE,T
213071606	MNENO,L	215214862	KALU,G
215224299	MNGQI,S	215289927	KAMANA,S
215184106	MNYANDA,M	215086937	KANGO,ZO
210250453	MNYANI,SC	214308448	KATIKATI,A
215183681	MOLOZI,G	215093097	KHOHLWA,S
215286057	MOYAKE,T	215194349	KLAAS,L
215295218	MPHOZISWA,ZS	214231399	KLAAS,SM
214317137	MQUKUSE,N	214120465	LANDZELA,H
215286529	MTHETHWA,L	215106237	LOSPER,AR
206007272	MTIRARA,O	215153405	LUMANI,MT
215180569	MTSHALALA,A	211224510	LUPHALULE,MB
214074218	MTUTA,Z	212023268	MAGQAZANA,N
215286596	MWEZO,ZR	215217152	MAHLUTSHANA,S
215059115	MXOLI,Y	213256827	MAJOVA,L
215287800	MYATAZA,S	215241789	MAKAPELA,SB
215201183	MYOYO,ZM	214174670	MAKUPULA,Z
215017528	MZAZI,SP	213245760	MALAVOLONEKE,CEA
215159241	NCEDANI,X	215143159	MANYAMALALA,T
214320103	NDAZA,S	214114317	MASHALABA,N
215295382	NDEDE,S	214187268	MASIKO,MT
214323072	NDODELANA,N	215100891	MASUMPA,S
215149076	NDUDE,LL	214205061	MATHORO,M
214214583	NDZALA,HT	214096955	MAWU,N
213300303	NDZIMANDE,AC	214043444	MBANYA,CM
210203048	NDZIMANDE,AC	214309010	MBAWULA,A
209157860	NGCUKANA,PS	215187059	MBEYIYA,P
215017544	NGQANGASHE,N	215281837	MDEPHA,LVI
215147375	NGUTA,S	215282523	MDINGI,O
214085090	NINGIZA,T	215226437	MDYESHANA,SS
214179842	NJADAYI,AC	214095738	MEHLOMAKHULU,LS
215062418	NKITA,LL	215106261	MFANA,S
215288300	NKQAYI,T	209179783	MGETYENGANA,P
214092291	NOHUZA,L	214205940	MLANJENI,BS



215268938	NONGALAZA,N	215186737	MLANJENI,SJ
215249828	NQULO,S	214285626	MNCAMENI,T
215288084	NQWELO,Z	214312879	MNGCONGO,T
214215598	NTIKINCA,B	215089073	MOLEFE,B
214276694	NTIKINCA,N	214107507	MRAWUZELI,S
215152034	NTLANTSANA,S	215243269	MUBENGA,MM
215097394	NTLONGWENI,N	215070224	MWENZE,AM
214179699	NTOZONKE,S	214253392	MZINI,S
215251016	NYALA,S	212278401	NAMNTU,Y
215210654	NYONI,MS	215283201	NCANYWA,S
215096045	OFORI-AMO,CY	215047400	NCWADI,A
215114795	OKKERS,M	214308901	NDAMASE,V
215287320	PANGWA,S	215017226	NDIKUMANA,C
214218430	PHAHLINDLELA,S	210268298	NDODANA,KG
215173732	PHILBERTE,I	214274462	NDZILANE,S\
215273877	PINDANI,SC	214307271	NELA,A
215158350	QIKILA,N	212109383	NETO,CA
214261042	QWELE,S	215020510	NEVES,FNJ
213072084	RAMNCWANA,V	215187490	NGCAYISA,ZA
215095154	RASMENI,S	213113236	NGQOLA,AD
215226550	SENTENI,N	214316149	NGWANE,A
213102803	SHUMPA,S	215017366	NGWENYA,NA
214111490	SILENGE,Y	213318881	NKASANA,L
215286685	SITHOLE,ZP	215085523	NKOSI,SA
213154250	SITWALA,M	215267664	NOGEMANE,A
215080165	SIZATHU,N	214307107	NOGUBA,LS
215293126	SOCIKWA,S	215283171	NOMAXHAYI,WB
215216482	SOGA,ES	214250717	NTAHLU,O
214046303	SOTYHIFA,M	211209279	NYANGA,S
215289714	STOFIE,B	215176278	OMARI,V
215287657	TABHU,A	213086689	OMOYAJOWO,AJ
214326276	TAMTE,NA	208202277	PATO,L
215117549	TANDAMISA,NJ	214041921	PIKINI,S
215027558	TETANI,T	213095424	PUTSU,A
214309606	THEBE,S	213219565	QUBEKA,S
215213025	THOMSON,A	215117646	ROXISO,SP
213098164	THUNGANI,Z	214246833	SANTOS,AFC
214194744	TIWANI,A	214315339	SILWANA,A
215279735	TSHAKA,BZ	214075338	SIMELANE,K
215184424	TSHINGANA,BS	215231511	SINGUI,NT
214227049	TSHINGANA,Y	215107357	SITYEBI,N
215285921	TYOBE,A	210165146	SKEFELI,TS
215011708	VAN DER BER,LC	215204999	TARR,MK
215189639	VAPPIE,S	215002024	THOBELA,S
215293622	VELAPI,X	214106411	TOM,NS
215190866	VELI,LT	215289471	TOMI,A
215293975	VOYI,OM	215244524	TSALA,G
214210766	WAGGIE,M	215203062	TSHANGANA,QOZ
214044807	WENI,N	213274086	TSHEM,T
215039181	WILLIE,N	214066789	TSIBOLI,B
215228413	XABANISA,SE	215103254	TSOTSA,SP
214266826	XHANTI,Z	214249778	TWASHU,S
214143201	ZIBI,A	214201589	WARRIES,RC
212276689	ZIMBA,GZ	211026387	XESHA,SZ

215215583	ZINGA,MYM	214081168	ZABA,TC
214317013	ZONO,B	214171426	ZAZINI,S
216117267	ADAMS,MS	216276519	BINZA,S
216289912	BAM,A	216265290	BIZWAPHI,T
216178568	BAM,K	215287819	BOKWANA,ZP
216241111	BARNARD,CJ	216289955	BOTA,S
216165180	BASSON,LM	215211626	BRANDER,JD
216120276	BENSON,GB	213301539	CANDANI,A
216117356	BENTLANU,M	216285925	DUDUMASHE,L

## APPENDIX C: ETHICAL CLEARANCE



**Cape Peninsula University of Technology  
Faculty of Business Research Ethics Committee**

**Members present:  
Prof S Davies, Dr Steyn, F Salie (Secretariat)**

**Venue: Sports Department, Faculty of Business, Mowbray Campus  
Date: Wednesday 26 January 2011**

Please note that applications to the Faculty of Business Research Ethics Committee (FBREC) must include a full research proposal (that has been approved by the supervisor) that includes a section on the ethical issues involved in the study; along with necessary supportive documentation.

Student: ADAM, Shaheen (205211070)  
Supervisor: Mr L Jowah  
Level: MTech: Business Administration  
Title: An Evaluation of the customer perceptions of quality service at hypermarkets in the Parow district of the Cape Metropolis

Decision of committee: The Faculty of Business Research Ethics Committee (FBREC) has **approved** the submission and make the recommendation that it be forwarded to Faculty of Business MANCO Committee (MANCO).

A handwritten signature in black ink, appearing to read "S Davies".

Prof S Davies  
Chairperson: Faculty of Business Research Ethics Committee  
26 January 2011

## APPENDIX D: CERTIFICATE OF AUTHENTICITY

### *Certificate of Authenticity*

**CERTIFICATE: COA1403SA**

14 March 2017

To Whom It May Concern

This is to certify that “**YOUTH PERCEPTION OF SERVICE QUALITY OF LARGE FOOD RETAILERS IN THE CAPE METROPOLIS**” by SHAHEEN ADAM for **CPUT (Faculty of Business and Management Sciences)** has been professionally edited by Dr Laura Budler-Kleinhans of ChickPea Proofreading and Editing Services for Students and Professionals.

***Document:***

<b>Job Number</b>	<b>Document title</b>
2304(SA)	YOUTH PERCEPTION OF SERVICE QUALITY OF LARGE FOOD RETAILERS IN THE CAPE METROPOLIS

Dr. Laura Budler-Kleinhans