

**CUSTOMER PERCEPTIONS OF VALUES OF A RETAIL
SUPERMARKET: ANALYSIS OF PICK n PAY'S
WATERFRONT STORE**

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RETAIL SUPERMARKET: ANALYSIS OF
PICK n PAY's WATERFRONT STORE**

by


RANDHIR SINGH

Submitted in partial fulfilment of the requirements for the degree Master of Technology:
Marketing in the faculty of Business at the Cape Peninsula University of Technology

SUPERVISOR: Professor A. Slabbert
DATE of submission: September 2008

DECLARATION

I, Randhir Singh, hereby declare that this study project is my own original work and that all sources have been accurately reported and acknowledged and that this document has not previously, in its entirety or in part, been submitted at any university in order to obtain an academic qualification.



A handwritten signature in dark ink, consisting of a large, stylized 'R' followed by a long horizontal stroke and a vertical stroke ending in a small hook.

.....
R. SINGH

ACKNOWLEDGEMENTS

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SUMMARY

This study examines Customer Perceptions of services rendered by Pick 'n Pay Waterfront employees. The main objectives of this study include the following:

- To define customer services within a supermarket environment;
- To determine how Pick n Pay (PnP) employees achieve customer satisfaction through service delivery;
- To determine customer expectations with regards to service delivery; and
- To consider the effects of staff absenteeism on client services.

A comprehensive literature review was conducted, which explores causes and effects of customer perceptions of services rendered by employees. An empirical investigation was conducted via a quantitative research methodology. A questionnaire and three mystery shoppers were used to gather primary data regarding services. One hundred and sixteen customers responded to the questionnaire. The questionnaire and mystery shopper's surveys were conducted over a three day period at different time intervals.

The quantitative investigation revealed significant aspects about customer perceptions with regard to different groups of employees working in the supermarket. The chi-square method was used to test for independence, and the results revealed that customers rate FTE's and VTE's differently in relation to customer satisfaction. The results of the empirical investigation were compared with relevant findings that emerged from the literature study.

Based on the present investigation, a wide range of recommendations are offered to Pick n Pay Waterfront management, which would allow them to address the question of customer perceptions pertaining to service delivery by their employees. A further contribution of this study lies in the maintenance and the improvement of customer and staff wellbeing, since increased productivity and profitability of the Pick n Pay group is likely to be ensured.

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CHAPTER 1

OVERVIEW AND ORIENTATION

1.1 INTRODUCTION

Pick n Pay Retailers Ltd is a retailer which is listed on the Johannesburg Stock Exchange (JSE) and specialises in selling groceries and non food commodities. It was founded in 1967 as a family controlled business with four small stores located in the Western Cape. In 1968 Pick n Pay (PnP) was floated on the JSE Securities Exchange (JSE) and became a leading retail group in both Africa and Australia. Specialising in food, clothing and general merchandise, the Pick n Pay Group has three divisions, each with its own management boards. These divisions comprise a Retail Division, Group Enterprises Division and Franklins Australia. Being one of South Africa's largest supermarket companies, it is one of the most recognisable and popular brands in South Africa.

Pick n Pay has a long standing record of unflinching success which is based on consistently applying seven enduring principles, namely:

- Consumer sovereignty;
- A flat organisational structure;
- Decentralized authority to enable local control;
- Promotion from within;
- Maintaining an image of being a discount retailer;

- Fighting collusion amongst suppliers, and rejecting collusion between retailers; and
- Keeping cash and buying forward on a rising market (Pick n Pay, 2005).

Within South Africa, the company's supermarkets operate under Pick n Pay corporate and Pick n Pay Family Brands. The company's mission is to provide its customers with world class standards of service and to uphold its reputation for sincerity, integrity and professionalism. These competences has given PnP a competitive advantage in the past and, as a result, the company enjoyed 41 years of constant growth within the retail industry. The company continually develops and adapts itself to constantly changing business environments, which not only creates sustainable growth, but also ensures its continued survival. Pick n Pay's Waterfront supermarket in the Western Cape, which operates under a Retail Division, was used as the focus of this study.

1.2 BACKGROUND TO THE PROBLEM

The company's chairperson summarised his belief in the company's sustainable development as follows: "two fundamental principles that have shaped the growth and success of the Pick n Pay Group over four decades: an unwavering focus on the pursuit of consumer sovereignty and an undying belief that the more you give, the more you get". "Conducting a business according to the ethics of consumer sovereignty and social responsibility – putting these principles above the mere pursuit of profit". (P n P, 2005: 34). This statement provides the company with a brief cornerstone and direction towards achieving its goals.

These principles are described as the main reasons for the company's success. It also raises a point of concern that complacency could mean disaster for the organisation. There is a necessity to remain 'ahead of the pack', which is a result in the willingness to develop its core competencies. Present competitive business environments, in which organisations operate, are extremely turbulent. Factors such as globalisation change in demand and sharpened competition in the market place, ensures that the business environments constantly change and evolve.

The nature of conducting business in this present environment, as reported by Clement, implies that "Customer service cannot be an optional extra, it cannot be negotiable and it must be mandatory and managed" (Clement, 1998: 55).

Raymond Ackerman, the group's chairperson summarised consumer sovereignty as placing customers first, which is the cornerstone of their mission statement (P n P, 2005: 2). However, the manager of Pick n Pay's Waterfront Supermarket has stated that: "many more people should be shopping here, but the customers just don't come." These statements reflect a necessity for any organisation to create a competitive advantage with customer services as its spear. This customer first principle can also be applied to other resources that are available to the company.

1.3 RESEARCH PROBLEM

Pick n Pay Waterfront supermarket is a corporate store, which is situated at the Victoria and Alfred Waterfront Complex in Cape Town. This study has investigated customer perceptions of services rendered by employees who work at the Pick n Pay Waterfront's supermarket.

The supermarket experienced a lower turnover growth and decline in product sales during 2007 when compared to previous years. In 2007 the total number of products that were sold, amounted to 11,453,548, whilst in 2006 the total number of products sold was 12,364,485. Even though fewer products were sold in 2007, the total sales in 2007 amounted to R115, 048,965, which was R2, 710,206 more than 2006. The slight difference in the rand value of sales is a result of higher selling prices, when compared to 2006. Therefore, the price of products that were sold includes inflation. The timeframe that was compared is March to November 2006 and 2007.

The supermarket employs 112 Full Time employees and 182 Variable Time employees. The store manager has said “many more people should be shopping here, but the customers just don’t come.” He could not identify a reason, although it may be because of high staff absenteeism, which has affected customer service delivery. He wondered about the solutions and what he should do to make the store more attractive and sustainable to customers and measures that could be implemented to minimise the effects of customer perceptions of employee service. Pick n Pay’s customer satisfaction policy is linked to its commitment to meet and exceed customer needs and demands. “We pledge to make our products and services affordable for all by offering the best value for money combined with the best product range” (PnP, 2005: 55). Their pledge to their employees is “ to establish compensation, working conditions, benefits, job security, opportunity and personal recognition in such a way as to make our company the best to work for in the retail industry” (PnP, 2005 – 68).

With these two company policies, namely customer satisfaction and its pledge to all employees in place, why would the manager of Pick n Pay Waterfront make the following statement: “many more people should be shopping here”? The problem that should be addressed lies in establishing why fewer customers shop at Pick n Pay’s Waterfront supermarket.

Ever improving business performance requires updating specialised knowledge, technology, skills and a creation of a culture of learning within the organisation. In order to be dynamic in their core competencies, businesses should not become complacent, but rather change and adapt to an increasingly evolving business environment. This study has researched customer perception aspects to determine the extent to which they contribute to Pick n Pay Waterfront's overall success in order to obtain insight into sustainable development. The research problem is summarised as a search for sustainable service delivery within a service company, through the development of customer loyalty.

1.4 RESEARCH GOALS, OBJECTIVES AND QUESTIONS

The main goals of the research is to determine customer perceptions of services quality rendered by employees of the Pick n Pay Waterfront supermarket and to assist the company to identify opportunities and in positioning the organisation for long term growth and profitability. An important part of this research also comprises the role of customer services in this process and the need to create a learning culture within the organisation.

Key objectives, which would achieve these goals, include the following:

- Define customer services within a supermarket environment;
- Determine how Pick n Pay employees achieve customer satisfaction through service delivery;
- Determine customer expectations of service delivered; and
- Consider the effects of staff absenteeism on clients' services.

The significance of this study is therefore, to primarily determine whether customer perceptions of services rendered by Pick n Pay Waterfront employees has contributed to the lower customer numbers and to assist other retail companies to improve economic climates within their business environments in South Africa. The second objective is to identify poor performing departments and to find ways to improve these.

1.5 CLARIFICATION OF KEY CONCEPTS

Several terms and concepts that are used throughout this study were obtained from Pick n Pay.

Variable Time Employees (VTEs)	VTEs are employees who work for Pick 'n Pay and are guaranteed a minimum number of 60 or 85 hours per month, according to commencement of service.
Sectorial Determination Act (9) (SD9)	The SD9 provides for minimum employment conditions in the retail trade
Full Time Employees (FTEs)	FTEs are employees who work a 45 hour week over a six day period (Monday to Saturday).
Kronos	A personnel time management system
Mystery Shoppers	Trained people who act as customers and enter an establishment to experience the service deliverance. They deliver objective assessment about service by completing questionnaires that is pertinent in that service organisation.

Customer orientation of service employees	When customers rely on employees' intangible behaviour to create perceptions about employee behaviour.
Customer satisfaction and retention	Evaluations by customer regarding of service satisfaction and their loyalty to the organisation
Branding of customer services	Customer recognise a product / firm by its name
Employee training programmes	Programmes to facilitate the advancement of employee education and training.
Employee absenteeism	When employees are scheduled to work and they do not make themselves available to work

1.6 DELIMITATION OF THE RESEARCH

The study has been undertaken primarily to measure customer perceptions of services that are provided by Pick n Pay Waterfront employees. The Servqual model by Parasuraman *et al* (1991: 445) was adopted to gather primary data. Secondary data was obtained from the Pick n Pay's Kronos time management system, as well as their Wage and Human Resources departments.

1.7 RESEARCH DESIGN AND METHODOLOGY

The study adopted quantitative methods in order to obtain an understanding of customer perceptions of services rendered by Pick n Pay's Waterfront supermarket employees.

A quantitative research method was chosen, as it is designed to numerically measure and describe the nature, attitudes and behaviours of customers. Quantitative data provide managers with broad inferences about their customer groups, while the results provide a check on customer satisfaction. Furthermore, it provides management with a yardstick to measure and improve company performance. The researcher was influenced by the Servqual model developed by Parasuraman, Zeithaml and Berry (1991: 445) to conduct surveys, since the supermarket is service orientated and it can differentiate between levels of service rendered by the employees on duty. According to Parasuramans *et al*, (1991), three of the five Servqual survey questionnaires address service quality.

Three mystery shoppers each completed a questionnaire at different times, while a total of 116 surveys were conducted over a three-day period, which also took place at different times.

Research from all parts of the world assisted in compiling the literature review, which provides a broader spectrum from a global perspective. The research design is mainly descriptive. A case study of Pick n Pay's Waterfront supermarket was based on information that was gathered to contextualise the research problem, empirical and theoretical methods were utilised. Methods that were selected for this study to ensured that the theory development remains central to the focus of maintaining validity and applicability of the results. Primary data, in respect of customer services, was collected by means of empirical qualitative research, by conducting interviews with customers at the supermarket entrance before they commenced with their shopping. Secondary data was obtained from Pick n Pay's Human Resources, Wage and Kronos departments. This data was analysed and assessed according to its value that it contributed towards the study.

1.8 ETHICAL STATEMENT

Participants in interviews and respondents to the survey questionnaires were assured of confidentiality throughout the study process and presentation of results. Pick n Pay was also assured that all information that was gathered for the purpose of this investigation, will at all times, be regarded as privileged information and used for academic purposes only, and that it will not be made public without the organisation's written consent.

1.9 RESEARCH ASSUMPTIONS

After preliminary research and consultation with experts in the field of consumer services within supermarkets, this study assumed that:

- Generally, there is a lack of research that relates to customer service in supermarkets; and
- In line with the above assumption, this is one of the reasons why supermarkets can be unsuccessful.

1.10 OUTCOMES AND CONTRIBUTIONS OF THE RESEARCH

As indicated in the introduction, customers are important stakeholders with the economic setup of any company, therefore, country.

This study therefore, endeavours to contribute on the impact of customer perceptions in the supermarket environment. These new findings will contribute to managing customer expectations more effectively in the future.

1.11 OUTLINE OF CHAPTERS

Chapter 1 provides an introduction to the background of the research problem. Furthermore, it contextualises the research that was undertaken. The research that determines customer perceptions of services rendered by employees, seeks to aid companies to illuminate compliancy and to maintain a competitive edge. This, in turn, leads to superior sales, financial performance and profitability. Pick n Pay which is a major service organisation within the retail sector and one of the largest supermarketering groups in South Africa, is guided by two principles “Consumer sovereignty and the more you give the more you get back” (PnP, 2005: 8). A case study was undertaken within the organisation and the subject of the study is Pick n Pay Waterfront which is located in the Western Cape region.

The major objective of the research that was conducted, was to determine whether Pick n Pay Waterfront employees provide qualitative services to their customers without comprising the company’s values with regard to services and to sustain growth levels within the organisation.

Chapter 2 provides an overview of the literature consulted, which is relevant to the scope of the research. A wide range of literature, which originates from various parts of the globe, was consulted to obtain a broad perspective of what is viewed as customer services and absenteeism.

The following concepts were reviewed:

- Customer Orientation of Service Employees;
- Customer Satisfaction and Retention;
- Branding of Customer Services;
- Customer Services, Measures, Delivery and Encounters;
- Drivers of Quality Services and Consequences of Poor Services;
- Concept of Absenteeism;
- Employee Absenteeism;
- Causes of Absenteeism; and
- Employee Training Programmes.

CHAPTER 3 is devoted to the research design and methodology that followed during the fieldwork undertaken in the case study, which used Pick n Pay Waterfront supermarket as the research subject. The approach of this study is quantitative and was based on empirical methods. The research tool that was used to gather information was the Servqual model questionnaire developed by Parasuraman, *et al* (1991: 445) as this measuring tool can differentiate between levels of services that are rendered by employees on duty. Three of the five dimensions in the above mentioned model questionnaire, addresses service quality. Three mystery shoppers completed questionnaires at different times.

CHAPTER 4 reports the results and findings of the fieldwork and describes and summarises the findings in table and figure format. These findings are also analysed and interpreted.

CHAPTER 5 documents the findings relating to the theory and literature, which were discussed in previous chapters. It also provides a connection between the findings in the case study. The chapter ends with conclusions and recommendations, which are based on the findings.

CHAPTER 6 provides an overview of the study and, also recommendations and limitations for future research.

1.12 CONCLUSION

Evidence exists for a need to conduct research into customer perceptions of services within the retail environment. There is a need to provide world class service as a strategy to create a competitive advantage over competitors. A case study approach was selected to conduct the study, using Pick n Pay's Waterfront supermarket, which is located in the Western Cape, as the study subject. From a historical perspective and a cross sectional view of the present assessment, Pick n Pay can be provided with necessary information about the importance of customer services and their perceptions of services, which would ensure that they are sustainably aligned to the organisation.

Chapter 2 presents a range of existing literature that was been consulted to obtain a broad view of customer services and absenteeism.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

The topics for discussion in this chapter explore the different variables that may influence customer perceptions about services provided by Pick n Pay's Waterfront supermarket employees. There are two types of variables that may influence customer perceptions of the services provided by employees of the supermarket, namely dependent and independent variable factors. The dependent variables incorporate customer services and perceptions of services that are provided by employees at the Pick n Pay Waterfront supermarket, while independent variable factors incorporate employee absenteeism and training.

Analyses of authors' views of customer perceptions of services are provided during this chapter. These perceptions are described as variables, which can be broken down into further subheadings, which include:

- Customer orientation of service employees;
- Customer satisfaction and retention;
- Branding of customer services;
- Customer services measures, delivery and customer encounters;
- Drivers of quality services and consequences of poor services;
- Concept of absenteeism; employee absenteeism; and
- Causes of absenteeism and employee training programmes.

Zeithaml and Bitner (2000: 4) have stated that customer service relates to employee services that are provided to customers in support of the company's products. It is important to understand what is meant by absenteeism and then to assess its impact and customer services on the topic.

Nel, Gerber, Van Dyk, Haasbroek, Schultz, Sono and Werner (2001: 582) state that absenteeism occurs when employees of a service provider do not avail themselves to their employers in terms of their contracts of employment. Various authors and journalists have expressed their views about employee reasons and abuse of the sick leave system. Furthermore, findings of employee absenteeism are revealed. These concepts can be described as independent variable factors. There are different reasons why employees are absent from their work stations. However, the effects remain the same as several literature pieces that were consulted, promote this notion. Among the effects of absenteeism, managers may be impeded from producing profitable results for their companies. Research estimates that by the year 2010, approximately 25% of the adult population in South Africa would be affected by HIV /AIDS. This should cause a major strain on organisations and their employees, thus it is one of the major factors or causes of absenteeism (<http://www.hivaid.co.za>).

The literature obtained was instrumental in assisting the researcher to find solutions for the research question about customer perceptions of services rendered by Pick n Pay Waterfront supermarket employees. "What measures can the store implement to minimise the effect of customer perceptions of employee services?" The thought processes of various authors relating to customer perception of services and employee absenteeism, was adapted to assist in answering the research questions.

2.2 CUSTOMER ORIENTATION OF SERVICE EMPLOYEES

Thorsten Henning-Thurau (2004: 460), cited in Bitner, Booms, and Tetreault, (1990); Bove and Johnson, (2000); Bowen and Schneider (1985); Sergeant and Frenkel (2000) concur that customers rely on the intangible behaviour of employees to formulate perceptions about the services offered to them by organisations. This, in turn, would assist in determining the success of the firm's services.

Brown (2002), cited in Thorsten Henning-Thurau (2004: 460) states that few studies address customer orientation of service employees in spite of its importance in the value chain. Thorsten Henning-Thurau (2004: 461), cited in Bitner, Booms and Tetreault (1990), indicate that research into service quality has revealed that employee behaviour does influence customers' perceptions of services offered by organisations.

Parasuraman, Zeithaml, and Berry (1988), cited in Thorsten Henning-Thurau (2004: 461), conclude that within the Servqual survey questionnaire, three of the five dimensions address service quality. Thorsten Henning-Thurau (2004: 461) cited in Dabholkar, Sheperd and Thorpe (2000), provide a theory that personal attention and comfort, provided by employees, are important traits of service quality. These views, as presented by various authors, could be deemed as expressing customers' perceptions and could be construed as one-sided. Therefore, the service provider is provided with limited information to address the situation. Research reveals that too little research is conducted on customer orientation of service employees and that greater emphasis should be placed on this value chain.

2.3 CUSTOMER SATISFACTION AND RETENTION

According to Anderson, Fornell and Rust (1997: 130), customer satisfaction is defined as “an overall evaluation of a firm’s product or service”. Mohr (1982), cited in Caruana (2000: 815), advances that in service quality, customer satisfaction and service loyalty programmes, which are the expectancy / disconfirmation processes, include the following: expectations, performance, disconfirmation and satisfaction, and is commonly used in a number of service related studies. Tse and Wilson (1988: 204) define customer satisfaction as “the consumer’s response to the evaluation of the perceived discrepancy between expectations (or some norm of performance) and the actual performance of the product as perceived after consumption”.

Thorsten Henning-Thurau (2004: 460), cited in Szymanski and Henard (2001), states that customer satisfaction, from a marketing perspective, has been mapped as a major antecedent of customer retention. Zeithaml and Bitner (2000: 75), define customer satisfaction as “the customer’s evaluation of a product or service in terms of whether that product or service has met their needs and expectations. Failure to meet the needs and expectations is assumed to result in dissatisfaction with the products or service”. These authors also state that customer satisfaction can also be influenced by evaluation of the product or service features (Zeithaml and Bitner, 2000: 76). Surrounding service features in a supermarket may include clear pricing of products on sale, pleasant music playing in the background, knowledgeable staff, prompt service and other store aesthetics. According to Zeithaml and Bitner (2000: 76), customer satisfactions are normally derived when the customer is in a positive emotional state of mind, for example happy, elated and when pleasure is experienced. Conversely when customers are in a negative emotional state, they are easily discontented with services.

Thorsten Hennig – Thureau (2004: 472), argues that service employees should be provided with regular skills and technology training in order to improve on customer expectations and satisfaction. Top management should revisit present customer satisfaction policies and an addendum should be included that assists in enhancing customer satisfaction.

2.4 BRANDING OF CUSTOMER SERVICES

Alexander and Colgate (2005: 394), cited in Aaker (1990) define a brand as a product category where a firm has made its name, while a brand extension adopts a product or service using the original name of products or customers. Pick n Pay is a brand name and their employees are brand extensions.

Laforet (2007:82), cited in Quelch and Harding (1996) advocates that store brands have become more important than ever and Semeijn, Allard, and van Riel (2004) indicate that “their roles and importance have changed dramatically during the past decade.” Laforet (2007:82), cited in Quelch and Harding (1996) and Burt (2000) have indicated that store brands that are consistent with quality, prices and variety, have narrowed the gap between them and national brands.

Alexander and Colgate (2005: 394) indicate that various authors concur that there are benefits derived by implementing brand extension strategies, while Aaker and Keller (1990); Kapferer (1992); Tauber (1981) indicate that there is a reduction in advertising costs, while there is “leveraging of brand equity” (Barwise, 1993; Keller and Aaker, 1992; Rangaswamy, Burke, and Oliva, 1993) and enhancement of the core brand Aaker (1990), also cited in Alexander and Colgate (2005: 395). Carpenter, Moore and Fairhurst (2005: 43) cited in Wileman and Jary (1997), indicate that branding has become an important strategy within the retail industry.

They also state that the retailers seek to be actively involved in the control of their products, profits and customer satisfaction strategies. Laforet (2007:82), cited in Alexander and Pollard (2000) have stated that the higher margin pharmaceuticals and cosmetics sector is an ideal area for diversification in the retail market.

Caruana (2000: 812), cited in Cunningham (1956) defines brand loyalty as “the proportion of purchases of a household devoted to the brand it purchased most often” and Cunningham (1961), cited in Caruana (2000: 812), broadens the definition by focussing on store loyalty instead of brand loyalty by adopting the same definition as brand loyalty. Caruana (2000: 812) cited in Oliver (1997), states that few studies have researched service loyalty, while Tucker (1964: 32), asserts that previous research has concentrated on behavioural aspects of loyalty. Caruana (2000: 812), cited in Jacoby (1971), advances the theory that was initially researched on brand loyalty, which concentrated on behavioural outcomes and disregarded the customer.

Caruana (2000: 812), cited in Day (1969), stated that “there is more to brand loyalty than just buying the same brand attitudes for instances”. Caruana (2000: 812), cited in Jacoby (1971), incorporated the behavioural and attitudinal concept. The behavioural aspect focusses on the purchase of a specific brand, while attitude is measured by a single scale Day (1969) or multi scale items (Selin, Howard, Udd and Cable, 1988), as cited by Caruana (2000: 813).

Due to a lack of research on service loyalty, this function normally incorporates a large contingent of employees in the industry and, therefore, continuous training is not necessary and should be conducted to update employees in technical advances that have occurred within the service industry. With this in mind, a good case can be argued in favour of service loyalty amongst employees in Pick n Pay supermarkets. This will, in all probability, be beneficial to customer satisfaction, loyalty and profitability of the company.

Laforet (2007: 83), cited in Collin – Dodd and Lindley (2003) and Chen and Paliwoda (2004), concludes that researchers have not placed much emphasis on the importance, effectiveness and value of brand names. Furthermore, other studies have concentrated on the importance of customer characteristics, but not grocery brands as brands. Laforet (2007: 83), cited in Collins – Dodd and Lindley (2003), advances that store brands provide an opportunity to build the store image and create a strategy to differentiate their store from the competitors. They conclude by stating that “brand names and store image are important factors that affect customer perceptions of the quality of products and services”. While Chen and Paliwoda (2004), as cited in Laforet (2007: 83), have argued that the store name (brand) was an influencing characteristic to customer purchase decision of a brand, Collins – Dodd and Lindley (2003) have stated that packaging and advertising can be adopted by retailers to improve positive store attitudes and brands (Laforet, 2007: 83).

Pick n Pay began to implement differentiation and repositioning strategies to promote the brand across a wider range of products, which offer competitive prices and quality products. The company took advantage of this opportunity by establishing pharmacies within their larger supermarkets. This had added an extension to the core brand, which has resulted in a wider range of products on offer and has hence created a wider customer base. Brand extensions instil confidence in customer perceptions about the Pick n Pay brand to deliver products and services that satisfy their needs and wants. Pick n Pay has recently advanced on a campaign to broaden the company brand. Improvements include the following:

- Changing the font and colours of the brand;
- Applying consistency in standardising merchandising and advertising;
- Changing their packaging and employee uniforms: and
- Applying clear and precise pricing techniques.

These are a few of the changes that are currently applied by Pick n Pay to differentiate their brand from the competition. To conclude; branding is instrumental in influencing customer's perceptions about services offered to them by companies and this will be a determining factor whether they returns or not.

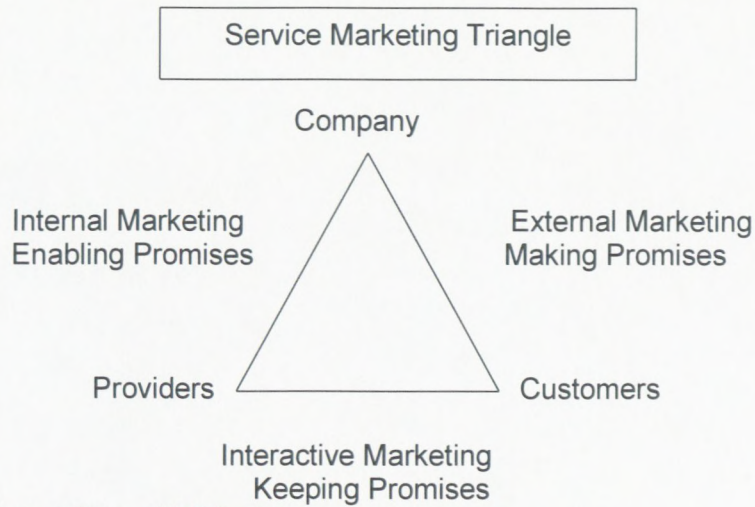
2.5 CUSTOMER SERVICES, MEASURES, DELIVERY AND ENCOUNTERS

(Zeithaml and Bitner, 2000: 2) describe "services as deeds, processes and performances" and they continue by stating that the core service offerings in supermarkets comprises of deeds and services performed for customers by employees. Broad definitions of the different types of services as indicated by Zeithaml and Bitner (2000: 85) are as follows:

- Intangible services are things that cannot be touched, seen, felt and tasted, e.g. an employee advising a customer on how to prepare a product for consumption; and
- Tangible services are the opposite of intangible where a product can be touched, seen, felt and tasted e.g. products sold over the counter and from shelves.

The following figure 2.1 exhibits the service marketing triangle and its three pointers: company, providers and customers. The triangle has to be interlinked to create synergy in providing quality service to the customers.

Service Marketing Triangle: Service Concept



Source: Zeithaml and Bitner (2000: 17)

Figure 2.1 Service Marketing Triangle: Service Concept

According to Zeithaml and Bitner (2000: 16), the Service Marketing Triangle suggests three different marketing strategies, which should be implemented for successful service delivery. External marketing represents making a promise to the customer; interactive marketing is keeping a promise to the customer, while internal marketing refers to carrying out the promise to the customer.

Service Marketing Triangle: Strategies



Source: Zeithaml and Bitner (2000: 16)

Figure: 2.2 Service Marketing Triangles: Strategies

Zeithaml, Berry and Parasuraman (1988: 35) conclude that employees can enhance customer satisfaction if the organisation has a full compliment of staff and staff are trained to complement their service and knowledge of the products that they have on sale. Furthermore, they should offer advice to customers in the different forms of application of their products. Customer satisfaction can be improved by determining customers' needs and wants in advance, hence complementing customer retention. Zeithaml and Bitner (2000: 287) expand their theory that employees represent the company and are therefore, major contributors to customer satisfaction and marketers of the organisation. Employees could also be considered as walking billboards. When employees provide efficient services to customers it is advantageous to the company. Conversely, if the quality of the service is poor, it will be to the detriment of the company.

2.5.1 CUSTOMER SERVICE MEASURES

Research which measures customer service, have been conducted by various authors and have forwarded different views (Parasuraman *et al.* 1991: 445; Dube, Renaghan and Miller 1994:38; Dabholkar, Thorpe and Rentz, 1996: 6).

According to the afore-mentioned authors, none of the research is conclusive in formulating a standard for the retail industry; due to contradicting views held by the various authors, the researchers contradict each other. According to Parasuraman *et al.* (1988: 21), Brown and Swartz (1989: 93) and Carman (1990: 33), service quality is a concept that is difficult to describe.

The measure of service quality in the retailing and the service industry cannot be conducted by using the same methods (Metha, Lalwani, and Han, 2000: 63). Increased customers' awareness of their rights has led to greater expectations and demands from services providers. Customer perceptions will continue to drive successful retail merchandisers to maintain and improve on high – quality customer services (Lewison, 1997: 115). Customers are better informed about their rights and service providers are obligated to maintain high service levels in order to remain competitive and appeal to the customer (Samli, Kelly and Hunt, 1998:28).

According to Sui and Chung (2001: 91), when one evaluates non–professional services such as in the retailing industry, social dynamics of customers should be considered. For competitive survival, retailers focus on areas that would increase their competitive edge by delivering qualitative service (Gaur and Agrawal, 2006: 317). Furthermore, Gaur and Agrawal, (2006: 317), cited in Metha, *et al*, (2000) state that service quality could be used as a competitive advantage to position the organisation within the market place.

According to Jain and Gupta (2004: 25), their recognition of quality is an important determining factor to improve business performance, and they also state that there are various scales to measure service quality. They continue to state that SERVQUAL and SERVPERF are two major service quality measurement scales. A survey conducted at a fast food restaurant in Delhi, India, using both service scales, found that the Servperf scale “provided a more convergent and discriminant – valid explanation of service quality construct, deficient to its diagnostic power.” “By virtue of its diagnostic powers, the Servqual scale out - performed the Servperf scale by indicating to management the shortcomings of their service quality. The major setback to the Servqual scale is the data collection requirements”.

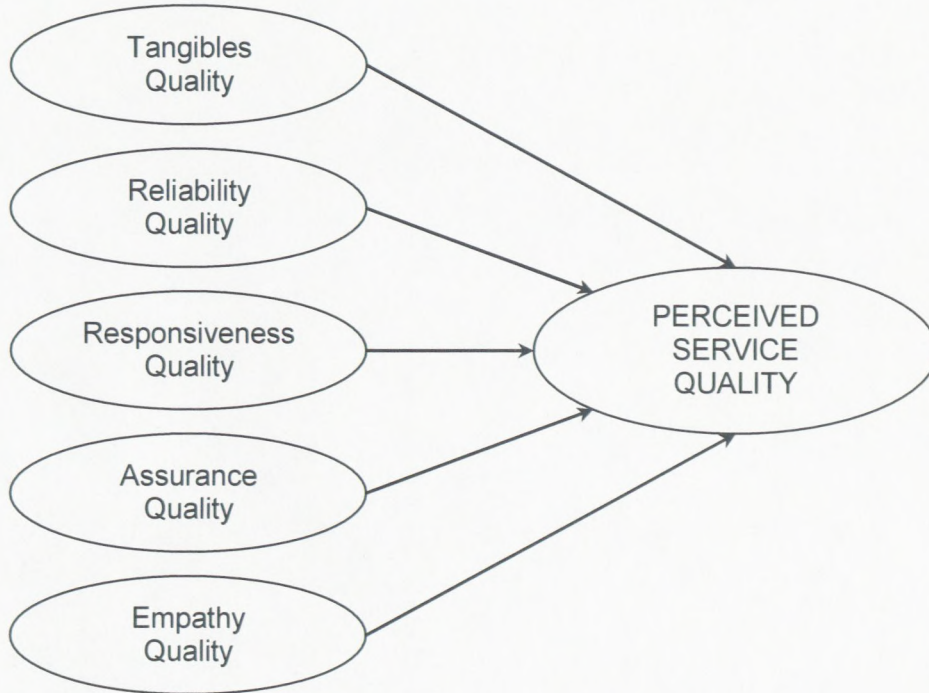
Gaur and Agrawal (2006: 318) indicate that the Servqual (Parasuraman *et al.* 1988) and RSQS Dobhokar *et al.* 1996) are extensively used to measure of service quality in the retail sector and they continue with the statement that Carman (1990) was the first to apply the Servqual measure in motor vehicle tyre surroundings. The findings were that the five dimensions of the Servqual were not generic and that new dimensions should be added to prevailing situations. Furthermore, both the Servqual and RSQS failed as reliable and valid measures of retail service quality (Gaur and Agrawal, 2006: 317).

According to Dobholkar *et al.* (1996: 6), the Servqual method was designed to measure service quality in service orientated industries, but not for organisations that provide a mix of tangible products and services, for example, department stores and hypermarkets.

For the purpose of this study the researcher decided to adopt the Servqual model by Parasuraman *et al.* (1991: 445) as it would probably be a most appropriate measuring instrument in the context of this research. The Servqual model provides the study with a guide of 21 perception questions and the sampling methods that have been used.

The survey questions determined customer perceptions of services rendered by the employees of Pick 'n Pay Waterfront and to created a new service orientated culture, were adopted from the Five Servqual Dimensions and include responsiveness, reliability, assurance, empathy and tangibles. The Servqual model is a method that is used to uncover poor performing departments and provides the organisation with measures to rectify the situation (Parasuraman *et al.* 1991: 445).

Parsuraman, Zeithmal, and Berry (1988) Theory of the Determinants of Perceived Quality

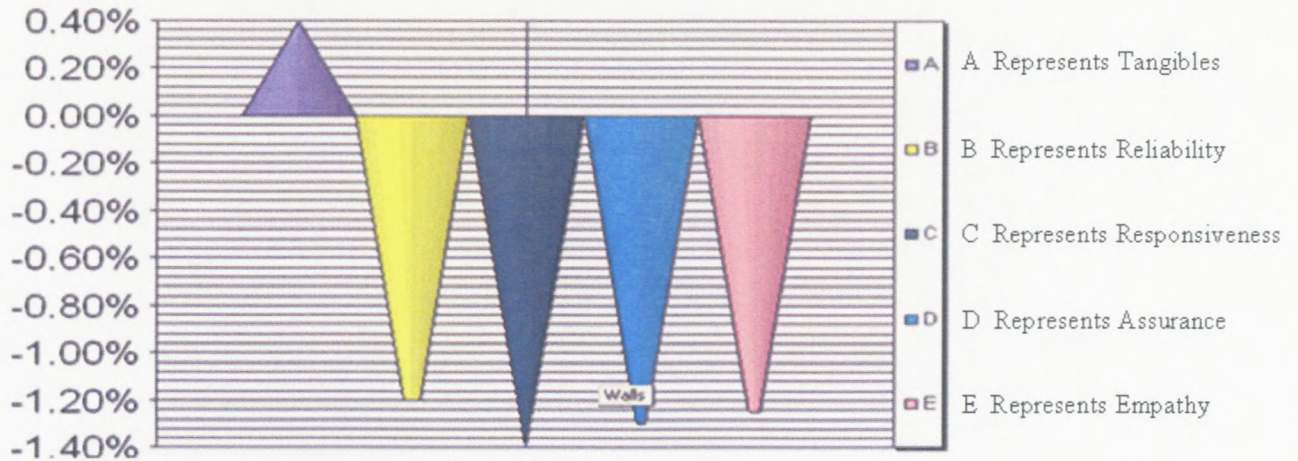


Source: Parsuraman, Zeithmal, and Berry (1988)

Figure 2.3 The 5 dimensions represent the difference between consumers' perceptions of a firm's performance along each quality dimension.

According to Zeithaml and Bitner (2000: 123), graphic indicators can provide information about customer service. The five Servqual dimensions are recorded as the difference between Expectations and Perception ($P - E$). It is most likely that the figures that are generated will be negative numbers, as customers have higher expectations. They indicate that tangibles represent the only dimension that has the possibility of exceeding expectations.

Mean Servqual scores and Service Dimension



Source; (Zeithaml and Bitner, 2000: 123)

Figure 2.4 Mean Servqual scores and Service Dimension

The five Servqual dimensions are represented in each column in the chart above. Column “A” represents tangibles, “B” represents reliability, “C” represents responsiveness, “D” represents assurance and “E” represents empathy, respectively.

Zeithaml and Bitner (2000: 289) indicate that service employees can influence these five Servqual dimensions. The five dimensions are reliability: delivering the service as promised; responsiveness: staffs’ willingness to assist the consumer; assurance by employees to communicate with customers and to inspire trust and confidence; empathy with customers, paying attention to the needs and wants of customers and tangibles, which apply to employee appearance and dress. A lack of these important dimensions, as well as employee absence at service counters, may cause damage to the organisation. Heterogeneity amongst the human race causes people to disagree in their field of study, and the marketing environment is no exception.

The following authors disagree on the correct procedures and practises to adopt when conducting surveys. They furthermore disagree with the Servqual model as a measure of service quality. Dube *et al.* (1994: 41) states that the “concept of service quality” does not feature in the Servqual scale. Siu and Cheung (2001: 88), cited in Dabholkar *et al.* (1996), indicate that the Servqual scale for measuring service quality “is not suitable for the retail store environment because it applies to the study of retail business that offers services and goods”. The statement made by Dube *et al.* (1994: 41) that “Concept of Service Quality does not feature in the Servqual scale” is ambiguous because the questions of reliability, assurance, responsiveness, empathy, and tangibles, adopt an amicable and subtle approach to customer service quality.

According to Reichheld and Markey (2006: 2), another simple method that could be used to assist owners in determining good service from bad service, is to conduct a survey by asking the customer the following question: How likely are you to recommend this company to a friend or colleague? Ask customers to rate their answer on a scale of 0 to 10. The responses received from the customer will assist in tallying something that the authors call the Net Promoter Score. Reichheld and Markey (2006) claim that the Net Promoter Score provide fairly effective responses in customer referrals and repurchases. Customer responses are clustered into three groups. The first group of customers, who rate the company as a 9 or 10, are classified as “Promoters.” Customers, who rate the company as 7 or 8, are classified as “Passively Satisfied.” The third group are classified as “detractors” as they are customers who rate the company from 0 – 6.

The Net Promoter Score is calculated by subtracting the percentage of promoters from the percentage of detractors. The research conducted by the authors indicates that organisations with leading Net Promoter Score ratings enjoy about two to three times higher growth rates than their competitors. Reichheld and Markey (2006: 2).

The researcher's understanding of Parasuraman *et al's.* (1991: 445), Servqual scale is that it is acceptable for supermarket environments, since it provides information about customer services in various departments. Also, three of the five dimensions address customer service quality. With this understanding, the researcher decided to adopt the questionnaires from the Servqual's Five Dimensions and the thought processes that followed, is that it is most appropriate for the present study.

2.5.2 CUSTOMER SERVICE DELIVERY

Zeithaml and Bitner (2000: 4) state that stakeholders will experience different repercussions when poor service delivery is rendered by employees. Employees may face retrenchment, which will result in unemployment. The company will experience losses in turnover, which will result in lower profits. The stakeholder receives lower profit earnings and the government will have higher unemployment numbers amongst the population and a lower gross domestic product (GDP). Unions will also have a decrease in membership and revenue.

It is in the interest of three key players namely the company, customers and the service providers to work together to develop, promote and deliver services. A company would represent any department or management within the organisation. A customer represents anyone that makes a purchase from the company, while service providers represent employees who actually deliver service to customers (Zeithaml and Bitner, 2000: 15).

The Chief Executive Officer (CEO) of Medal Paints, Ramesh Patel, concludes that his focus is on customer services and that employees should be customer service-orientated in order to assist the company to achieve fast customer turnaround times within the organisation.

Peacock (2006: 26) stresses that organisations' commitment to customer service should be backed by their guarantees and should adopt an open door policy for their clients.

Nagata, Satoh, Gerrard and Kytomaki (2004: 62), cited in Gronroos (1984) advances the theory that service quality has two provisos. The first is technical quality, which is an objective assessment made by a customer during his encounter with an organisation. The second is functional quality, which relates to how the customer perceives the service. Analysis on quality service in academic libraries in a Japanese university was found to have four key drivers that affected the delivery of quality service. Personal issues (staff mood swings) that concern the attitude of the library staff, affects service levels. The library, at times, is not conducive as a learning environment because of the tangibles. Access into the library and collection of books is time consuming. Furthermore, the general planning and delivery of the service are also of a poor standard.

Quigxiong, Pearson and Tadisina (2005: 1069) cited in Evan and Lindsay (1999), indicate that in their study the most successful companies regard their customers as kings and queens. Satisfied customers have a tendency to spend more money and to introduce their friends and family to the organisation. Other studies also provide evidence that customer satisfaction is a strong indicator of company success in terms of market share, return on investment and cost reduction.

Parasuraman *et al.* (1991: 445); Zeithaml and Bitner (2000: 81) and Jones (2004: 46) conclude that "customers judge the quality of service on their perceptions of the technical outcome provided and how that outcome was delivered."

Rewartz and Kumar (2002: 23) state that the four industries that conducted research on customer

profitability are the High Technology, Postal Service, Retail Food and Direct Brokerage industries and their findings indicate that long term customers are more profitable to the industry than short term customers. Therefore, a positive correlation between customer loyalty and profitability cannot be ignored.

According to Zeithaml and Bitner (2000: 88), there are three different types of service encounters and that through understanding and responding to the needs and requirements of customers, their satisfaction will be ensured. Different service encounters include the following:

- Remote customer encounters

Remote encounters occur when there is no human contact between service provider and consumption. Organisations that provide this kind of service include the banking industry (automatic teller machines), mail order service through automated dial-in ordering and the Internet that has created retail and airline purchases, for example.

- Phone customer encounters

Phone encounters are the most frequent type of encounter between a customer and firm. Insurance, utilities and telecommunication companies utilise the phone encounter to conduct business.

- Face to face customer encounters

Face to face encounters occur when an employee is in direct contact with a customer.

The face-to-face encounter in the context of service quality can become complex. Important determinants of service quality in the face-to-face dimension comprise verbal and non-verbal behaviours of the employee and, to a lesser extent, the customer.

This type of service encounter is important in building quality perceptions and influencing customer satisfaction and it is common in the retail industry. Pick n Pay supermarkets can be considered as a service industry, because of the customer-employee interaction that occurs on a constant basis. Therefore, face-to-face encounters between employees and customers, apply.

In the next subsection the study takes a close examination at what other authors have concluded about the drivers of quality service delivery and the consequences of poor services.

2.6 DRIVERS OF QUALITY SERVICES AND CONSEQUENCES OF POOR SERVICES

With regard to Drivers of Quality Services and Consequences of Poor Services, cognisance is taken of what other authors have written about quality and poor services, the strategy they adopted and the cause and makings of poor and quality services. Siu and Cheung (2001: 88), cited in Parasuraman *et al.* (1988: 15) define service quality as a "global judgement or attitude relating to the overall excellence or superiority of service, which involves a comparison of customer expectations with customer perceptions of actual performance". The authors also indicate that it involves a comparison between evaluations of expected customer services against actual services rendered.

According to Jones (2004: 46), key drivers of customer service that will ensure superior services within retail organisations, are excellent staff, who are efficient, have knowledge about their product, speed and efficiency of service by staff and the staffs' attitude towards customers during transactions. Furthermore, the availability of a full range of products and services and the staffs' efficiency and accuracy in the way they conduct customers' transactions, as well as deals with complaints in an efficient and effective manner, also promote quality services rendered in retail organisations. The location of store, abundant parking, and providing fast and efficient services would make any service organisation popular, as would clean stores that conform to world class standards and provide a friendly environment for their customers.

The organisation should provide a reliable and dependable service with quick solutions to problems. The organisation should stock quality products and their prices should be competitive. The availability of stock is of paramount importance and the company image should be impeccable.

Reynolds and Beatty (1999: 509) state that customer retention is important to organisations and that they should conduct research on ways to manage customer relationships by creating a competitive advantage. Needs and wants of the customer should be understood before different strategies and improvements by the organisation on service quality can be applied in order to retain customers. De Ruyter, Wetzel and van Birgelen (1999: 1131) advocate that the perceived level of service that a customer receives normally determines whether the organisation retains or loses customers. Both situations would create a financial impact on the organisation. If the company provides quality service, they will retain customers and customers act as a mouth piece for the organisation. Superior quality service is a determining factor in customer retention.

The empirical balance of customer service, service quality, customer satisfaction and customer retention, should be intertwined in any service industry in order to create a successful and profitable organisation.

Parasuraman, Zeithaml and Berry (1985), Dawkins and Reichheld (1990), Reichheld and Sasser (1990), and Parasuraman, Zeithaml and Berry (1990) concur that one of the essential strategies for success in the service sector is for the employee to deliver quality service. Furthermore, it should be acknowledged that absenteeism has a major effect on the type of customer service quality that will be provided and the customer's perception of the service provided. A major impact on service quality and delivery will result in a decrease in turnover.

Based on empirical research conducted by various authors, Parasuraman *et al.* (1988: 20), Dabholkar *et al.* (1996), and Barry (2003: 4) cited in Siu and Cheung (2001: 89), advocate that there is evidence that suggests the presence of fierce competition within the supermarket sector, which results in supermarkets' management adopting customer service quality as a differentiation and competitive strategy against their counterparts.

Barry (2003:4) advocates that there are six different ways to measure customer service quality, namely:

- The organisation should be reliable in terms of the services and products that they provide to their customers;
- Staff should be attentive and eager to assist customers;
- Staff should be polite and courteous towards their customers;
- Employees should be confident of the services that they provide to the customer;
- Employees should show an understanding of the needs and wants of the customer; and

- Retail organisations' facilities should conform to world class standards in health and safety requirements.

Siu and Cheung (2001: 89), cited in Dabholkar *et al.* (1996) indicate that a measure of retail service quality should capture additional dimensions, which should include the following features:

- The appearance and convenience of the store layouts should be adaptable to customer requirements;
- Retailer should keep to their promises from advertised lines and deliver on their promises;
- Service interaction between employees and customers should be conducted in a polite and amicable manner by employees;
- Employees should be equipped to handle any customer queries; and
- All company policies and materials relating to various details should be easily accessible for customers.

According to Cespedes and Smith (1993: 8), evidence is prevalent that customers are willing to develop relationships with companies if conditions are conducive to this form of activity.

Parasuraman *et al.* (1991: 445) were instrumental in developing a customer measuring scale, which they called Servqual. The Servqual Scale is categorised into five dimensions, while each dimension provides information about different aspects of the business. The five dimensions are tangibles, reliability, responsiveness, assurance, and empathy with each dimension providing and extracting information and assisting in developing future marketing strategies.

Wong and Sohal (2002: 424) examined the perspectives on service quality and relationship quality in the retail environments. Their study examined quality, service and relationships on two levels of retail environments.

The first level is the employee and the second level is the company. This survey was conducted in Victoria, Australia. The survey adopted questionnaires and was administered by eight of their outlets. Every third adult customer was approached to participate in the study and were given a choice to complete the questionnaire immediately or take the questionnaire home and complete it at their leisure. Shoppers who chose the latter approach were handed a stamped envelope addressed to the organisation.

The respondents' gender, age, income and means of payment was recorded. The Servqual scale of Parasuraman *et al.* (1991: 445), was adopted. Customers were approached to state their overall assessment of the contact with employees and the company on a seven point Likert scale, which ranged from one (poor) to seven (excellent). The findings of this investigation indicate that a direct relationship exists between service and relationship quality, and that empathy is the most significant contributor to relationship quality at employee and company levels.

The Servqual model provided the researcher with an ideal opportunity to research customer perceptions of services that are rendered by employees who work at Pick n Pay's Waterfront Supermarket. The study was based on a qualitative research approach with regard to customer perceptions of services, delivered at the afore mentioned supermarket. Zeithaml and Bitner (2000: 289) suggests that employee behaviour determines service quality, deliverables that a customer receives and the authors stress in their report the importance of Servqual's Five Dimensions (reliability, responsiveness, assurance, empathy and tangibles) of service quality.

Siu and Cheung (2001: 89) measured service quality in the retail industry and discovered that there are few methods, which measure service quality in retail stores. They adopted a five dimension Retail Service Quality Scale, which was developed by Dolbholkar *et al.* (1996: 445).

These five dimensions are:

- Physical Aspects: representing store appearance and convenience of store layout;
- Reliability: ability of the retailer to keep to its promise;
- Physical Interaction: checks on the employees' responses on how courteous and helpful they are; and whether they inspire confidence and trust from the customer;
- Problem Solving: whether employees trained to handle potential problems such as customer complaints, returns policy, and exchanges; and
- Company Policy: organisation's operating hours, their payment options and parking for example.

Dolbholkar *et al.* (1996: 445) believed that this instrument was able to serve as a tool for retailers to determine, which service area required improvement. The Retail Quality Scale was used to research the service quality of a retail organisation in Hong Kong. Their global strategies were based on "quality, value and service". The survey targeted customers with a disposable income, which ranged between ten and fifteen thousand Hong Kong dollars and in the age group, which ranged from eighteen to forty-five years, while their female customer focus was between twenty- four and thirty-five years. The company used the Retail Service Quality Scale, which had been developed by Dabholkar *et al.* (1996: 445).

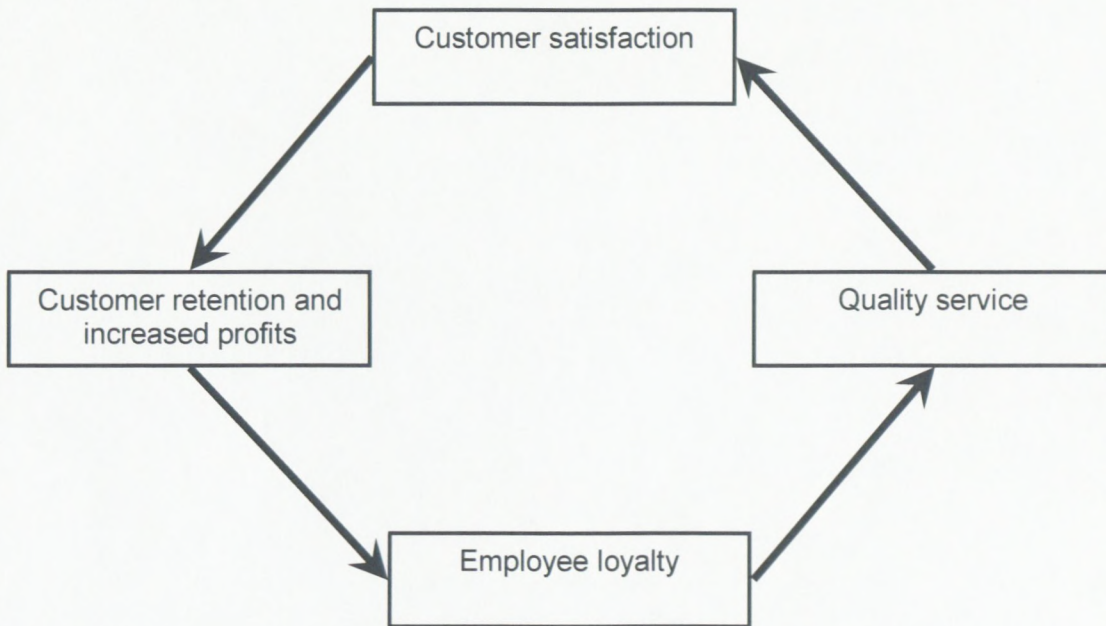
The survey which targeted customers that shopped at the complex, was administered and conducted by management.

The questions were based on retail quality service, intention to shop and whether they would recommend their friends or family to the organisation. Their answers were based on closed ended questions that adopted a seven point Likert scale. The respondents gender, marriage status and income levels, were also collected.

Findings showed that the original five retail service quality dimensions did not provide conclusive results. Some similarities and differences were found in the study. The researcher concluded that “the overall reliability of this construct was satisfactory, while the reliability coefficient indicated a fair to good consistency among the items of each dimension” (Siu and Cheung, 2001: 89). There is no conclusive evidence provided by the authors that this strategy could be used in a supermarketing environment, since the purchase circumstances are centred around needs and not wants.

The importance of organisations that create customer loyalty is created by offering superior value. Satisfied customers create more profit for the organisation than newly acquired customers do, while the effects of customer loyalty reflect in lower acquisition costs. Acquisition costs relate to the cost of bringing new customers, and their spending trends increase over time. These results in revenue growth and customers become efficient by not wasting time by requesting assistance. As customers get to know a firm and are satisfied with their services, relative to the competitors, they tend to give more of their business to the organisation. The relationship costs decrease over time and the organisation achieves economy of scale. Satisfied customers normally introduce the organisation to their friends and family through word of mouth. It is easier for the firm to retain employees when customers are satisfied with service (Zeithaml and Bitner, 2000: 143).

Figure 2.5 illustrates the Underlying Logic of Customer Retention Benefits to the Organisation



Source: (Zeithaml and Bitner, 2000: 143)

Figure 2.5 Customer Retention Benefits to the Organisation

According to Reichheld and Markey (2006: 2), there are two types of profits, namely good and bad.

- Good profits are derived from satisfied customers who are content with prices, service and or quality and / or a combination of the three acts. Satisfaction would induce the customer to conduct repeat purchases and they also tend to become active word-of-mouth customers by introducing the organisation to their friends.
- Bad profits (lower profits to the company) are earned at the expense of poor customer services. The repercussions of this demeaning service could result in severe consequences for the organisation, which, in practical terms, result in a loss of customers, turnover, profits and downsizing of human resources.

Zeithaml and Bitner (2000: 138) advance the theory that relationship marketing is a paradigm shift from the traditional acquisition / transaction focus towards retention / relationship focus and the authors further state that the philosophy behind relationship marketing is that consumers prefer to have an ongoing relationship with the organisation. Assuming that this statement is true, it would be cheaper to retain customers than to acquire new ones. A primary goal of relationship marketing is to “build and maintain a base of committed customers who are profitable to the organisation.” “To achieve this goal, the organisation must set their focus on the attraction, the retention and enhancement of customer relationship” Zeithaml and Bitner (2000: 138). According to Zeithaml and Bitner (2000: 140), the benefits for customer / firm relationship are as follows:

2.6.1 Customer Expectations

Customers have different types of expectations about service, and the most important being desired service, which is defined as levels of service that customers expect to receive from employees and adequate service, which meets the needs of customers. (Zeithaml and Britner, 2000: 50). The customer has a sense of trust and confidence in the service provider and, over a period of time, becomes familiar with the organisation and ties are established. The customer receives special treatment and receives the benefit of doubt in times of uncertainty.

2.6.2 Organisation Expectations

A company’s success or demise depends on their stakeholder’s ability to deliver on its promises to the customer. The employee’s contributions are important in determining the success of an organisation.

Furthermore, employee absenteeism can have detrimental effects on organisations. The symptoms of a company in decline include decreasing profitability, customer numbers, and sales; declining market share; high employee turnover and absenteeism. The store manager can determine the service areas that are weak and in need of improvement (Zeithaml and Bitner, 2000: 67).

Siu and Cheung (2001: 89) cited in Dabholkar *et al.* (1996), state in their claims about the dimensions of "Personal Interaction", that it will be severely hampered if the organisation is plagued with employee absenteeism, since it will result in additional strain on customer service, which further results in lower profits for the organisation. These statistics could be used to determine the strain created on customer services. Sick and overtime pay will increase, adding to the costs that the organisation has incurred and service quality will deteriorate if there are fewer employees that service customer requirements.

According to Zeithaml and Bitner (2000: 139), customers will be required to stand in queues for service, and this may result in frustration. When staff works under pressure to maintain service standards, mistakes become a common occurrence, which frustrates customers even further.

When the customers perceive that they have received poor service, the brand comes under question and this creates doubt in customers to refer friends and family to the organisation. Consequently, the organisation will receive bad reviews from irate customers about inadequate service. It is profitable for the organisation to enhance their delivery of customer service quality, which will assist with customer retention. It becomes more affordable for organisations to retain customers, rather than try to attract new customers. Loyal customers tend to promote brands to their friends and family, which assists to reduce the advertising expenditure.

A supermarket celebrated its birthday by offering special promotions on most of the grocery lines that they sell and the promotion attracted large numbers of customers to their store. A positive of such a venture assists in achieving increased turnovers.

However negatives outweigh the positives because increased turnovers, without an increase in staff complement, advances the theory that the employees will work under pressure in order to satisfy customers' requirements. In this case, employees were forced to work overtime and this resulted in increased labour costs. Stock shrinkage becomes rife during birthday promotions and profit margins are lowered because customers normally purchase sale priced items only. In conclusion, it becomes more profitable to retain customers than try to attract new ones, since it is easier to achieve an economy of scale if customers are retained.

Poor customer services could cause customer defections, which would, in turn, have a major impact on company profits, which will result in financial impact on the organisation's profitability, resulting in customer defection (Reichheld and Sasser, 1990: 105). The main causes of an organisation's decline include poor management, failure to match expectations in calculating personal agendas and failure to develop new strategies (Thompson, 1997: 210). According to Ingle (2005: 1), the Chief Executive Officer of the furniture group M.F.I in the United Kingdom, 2005 had been a difficult year for his organisation and identifies poor customer service levels as a major contributing factor.

Madslien (2004: 1) states that the two major causes of customers' frustrations are a lack of employees' knowledge about products and prices. Secondly, customers become frustrated when they have to search for employees to assist them in their purchase, only to find them huddled together in conversation with other colleagues.

Longworth (2006: 1) asserts that restructuring could occur among retailers when their sector performs poorly and with the rising cost of energy, labour, water and taxes, consumers are more careful about what and how they spend money. In summary, the important drivers of quality services are employees whose delivery of inferior quality services can have disastrous results for any organisation.

2.7 CONCEPT OF ABSENTEEISM

Nel *et al.* (2001: 582) describe employee absenteeism as employees who do not avail themselves when they are scheduled to work, and also state that there are numerous factors that contribute to absenteeism. According to McHugh (2001: 2), regardless of the reasons, absenteeism becomes a major cost and service quality factor for organisations, which results in disastrous consequences for the organisation for example poor customer service, lower levels of productivity and loss of profits. Therefore, McHugh (2001) believes that management should make absenteeism central to their focus of attention. McHugh (2001: 6) postulates that if the quality of service provision was adversely affected as a result of employee absence, there is added pressure on management to address customer complaints. McHugh, (2001), further states that an essential aspect of organizational life such as absenteeism should be addressed because of absenteeism may result in decreases in turnover, decrease in customer counts and lowering of service standards. He also states that absenteeism from work is a costly burden for organisations and that it shows deeply rooted organizational problems, which are symptomatic of organizational ill health (McHugh, 2001: 2).

Marais (2005: 11) states that employers are frequently faced with employees being absent from work without permission.

For several years employers have developed certain rules in an endeavour to manage such uncertainty.

According to Broadbridge (2002: 6), a quantitative research approach to employee absenteeism is threefold namely – staff, store and customer. He continues to state that the effects on staff include work overload, working long hours and unrealistic expectations made on employees by management, whilst training and development grinds to a halt. The outcomes for staff include a decrease in employee well-being and increased conflict and resentment amongst employees and management, which result in decreased morals, commitment levels and increased absenteeism and labour turnover. The outcomes for the store include loss of skills, knowledge, continuity, productivity and disruption to other workers and, as a result, a decreasing number of customers. The effects on customers are long queues, slower checkouts, unanswered customer queries, increased customer frustrations, increased customer complaints and loss of customers, since they take business to the competitors.

AIC Insurance absenteeism investigators found that employees who are in the 31 to 40 year age group recorded over 4000 incidents of sick leave in a year, whereas their older colleagues, in the 51 to 60 year age group, recorded over 1500 incidents. The conclusion to their study indicates that older employees take more time off, but that younger employees are absent more often. AIC Insurance CEO, Johnny Johnson, has said that statistics show that employers do not manage their absenteeism adequately and that the system is abused (Johnson, 2005). Johnson stated that a report, which surveyed 60 South African companies over a period of a year, found that particular patterns suggest that the sick leave system is abused. Often, when employees take sick leave of one day at regular intervals, then most likely they are abusing the system, he said. If different doctors are used each time an employee is booked off sick, it is also an indication that the sick leave system is being abused (Johnson, 2005).

Naidoo (2006: 25) claims that South African workers take too much sick leave from work and that they provide false claims about their sickness. Some of the excuses that men have provided about their sickness include a visit to a “gynaecologist” and for “painful menstrual cramps”. A sick note from a traditional healer claimed that an employee was suffering of “headache (stress)” brought on because “he is thinking too much.” Naidoo cites risk management company, Lekana Employee Benefits Solution that found that an employee had been booked off for 60 days for nausea, while another two employees handed in exactly the same photocopied sick note. Lekana performs employee analysis for South African corporations and the government.

Lekana researched two million sick notes, which revealed that sixty percent of South African employees take sick leave every year. Forty percent of sick notes handed in are for fake illnesses. The research was conducted to provide companies with a benchmark for acceptable sick leave patterns. Naidoo also cites Old Mutual’s Louisa Botes who specialises in sick leave trends and states that “there is a sick leave problem” in South Africa. It has become a necessity for organisations to research the absenteeism problem that has enveloped the country and to find solutions to rid them of this scourge.

2.8 CAUSES OF ABSENTEEISM

Buschack, Craven and Ledman (1996: 28) conclude that various types of service organizations and environmental influences could be associated with absenteeism at the workplace and that these may include poor employee morale, personnel conflicts, unsatisfactory compensation and benefits programs, unrealistic job expectations, inadequate training, and unsafe or stressful workplace conditions. Nel, Gerber, Van Dyk, Haasbroek, Schultz, Sono and Werner (2001: 582) advocate that when employees enter an organisation with certain expectations and are not

afforded opportunities to exercise these expectations, frustrations set in, and, when they are mismatched with job requirements, boredom sets in and they stay away from their work by being absent. If a tolerant culture for absenteeism exists within an organisation, employees would take advantage of the situation and not report to work for various reasons. Due to increased pressure on companies to produce good results, management tends to ignore staff absenteeism within their organisations.

Boyd (1997:9) also indicates that “entitlement mentality” is a major cause of absenteeism because employees know that they are entitled to a set number of sick leave days annually.

Dyer-Smith and Wesson (1997: 515) state that repetitive and monotonous tasks result in boredom, which has been linked to a host of unfortunate behaviours. Bored employees claim to have worse work records, more accidents, higher absenteeism and a tendency towards anti-social behaviours such as delinquency and substance abuse.

McHugh (2001:5) advances two theories in relation to absence from the workplace. Firstly, organizational culture that incorporates acceptance of absenteeism, as well as the work environment, can be the cause of employee absence. Secondly, workplace stress is another reason for employee absence because management is under pressure to achieve company objectives and they, in turn, exert untold pressure on employees to produce. Employees also indicated that they did not go to work because they were angry with another employee or even fearful of them (Sharing Village, 2001: 1). A conclusion that can be derived is that there are various factors that cause employees to be absent from work, which differ from organisation to organisation. It is also reasonable to conclude that absenteeism influences customer perceptions of any organisation's ability to provide quality services.

2.9 EMPLOYEE ABSENTEEISM

Secondary data sourced from the Kronos system and the Human Resources department indicate that Variable Time Employees from the Pick n Pay's Waterfront supermarket has the worst attendance record in the organisation. This became evident since introduction of the Sectoral Determination Act (9) for the wholesale and retail sector in May 2004. The Sectoral Determination Act (9) provides a guide for benefits that Variable Time Employees are afforded.

Table 2.1 Pick n Pay company's VTE absenteeism versus Pick n Pay Waterfront's VTE absenteeism

Company's VTE absenteeism vs. Pick n Pay Waterfront's VTE absenteeism

Time frame	2005				2006	
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	1 st Quarter	2 nd Quarter
Company absence average %	9	12	25	7	8	11
Waterfront absence average %	14	19	34	14	13	17
Difference average %	5	7	9	7	5	6

Source: (Pick n Pay: 2006)

Table 2.1 indicates the difference in percentage of absenteeism between Pick n Pay company's VTE and the Waterfront's VTE. Table 2:1 suggests that the percentage of absenteeism among VTE's at the Pick n Pay Waterfront supermarket is greater than the company's general VTE absenteeism percentage.

From May 2004 employees who were in the company's services as casual employees on or before the 30 April 2004 were renamed Variable Time Employees (VTE's).

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The Sectoral Determination Act (9), which was established under the Basic Conditions of Employment Act No. 75 of 1997 (SD9) agreement, entitles VTEs to certain benefits. The benefits derived from this agreement are that VTEs are entitled to leave and sick leave, which is calculated according to the percentage of hours worked per month. VTE's are guaranteed a set number of hours for the month even if they were not scheduled to work for the month. With this form of protection in place for VTE's, absenteeism increased.

Table 2.2 Total Pick n Pay Company's VTE absenteeism % versus Pick n Pay Waterfront's VTE absenteeism %.

Pick 'n Pay Company vs Pick 'n Pay Waterfront's absence %

Time frame	2005				2006	
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Company absence average%	8	13	26	7	8	11
Waterfront absence average%	14	19	34	14	13	17
Difference as a %	6	6	8	7	5	6

Source: (Pick n Pay: 2006)

Prior to the SD 9 agreement, the casuals as they were then called, were not entitled to any benefits and were paid according to the number of hours that they worked. Pick n Pay has fifty nine corporate and franchise supermarkets in the Western Cape region, which employs a substantial number of employees.

Employees at Pick n Pay corporate stores occupy two different work categories namely; full time employees who work 45 hours over a six day period and Variable Time Employees who are guaranteed a minimum number of 60 or 85 hours per month. Individuals who were employed before 1st May 2004 were guaranteed a minimum of 85 hours per month and individuals who were employed post 1st May 2004, were guaranteed 60 hours per month.

The number of employees who work in corporate supermarkets in the Western Cape are comprised as follows:

Table 2.3: Total number of employees and percentages in Western Cape Corporate supermarkets

Pick n Pay Western Cape employees

Employees	Number	%
Full time employees	3,197	45%
Variable Time employees	3,834	55%
Total	7,031	100

Source: (Pick n Pay, 2006)

Table 2.3 indicates the number of FTEs and VTEs as well as relevant percentages of employees who work in the Western Cape Region.

Table 2.4: Total number of employees and percentages in different categories at Pick n Pay Waterfront

Pick n Pay Waterfront employees

Employees	Number	%
Full Time employees	112	38%
Variable Time employees	182	62%
Total	294	100

Source: (Pick n Pay, 2006)

Table 2.4 indicates the number of FTEs and VTEs as well as the percentage of those two who worked at groups working in the Waterfront supermarket.

Secondary data sourced from the Kronos system and Human Resources department indicate that absenteeism amongst the VTEs from the Pick n Pay Waterfront supermarket have the worst record in the organisation. This became evident since the introduction of the Sectoral Determination Act 9 for the wholesale and retail sectors in May 2004. The Sectoral Determination Act 9 provides a guide of the benefits that VTEs are afforded. Analysis of the data also indicates that customer figures and monetary turnovers declined during the timeframe when VTEs are on duty, which is based on statistics that were made available from Pick n Pay's head office, Kronos and Wage departments. Tables 2.1 and 2.2, substantiate the secondary data about absenteeism amongst VTEs who work at Pick n Pay's Waterfront supermarket. Should the primary data statistics that were obtained from the survey confirm that there is a problem of absenteeism amongst employees who work at the Pick n Pay Waterfront supermarket, strategies should be formulated to assist employees and to decrease absenteeism amongst them.

Victoria and Alfred (V&A) Waterfront (2006) stores' turnover percentage figures received before take over of the V &A Waterfront complex were compared with Pick n Pay's Waterfront supermarkets turnover percentage. The graph indicates the month and percentage turnover increase for stores that trade in the Waterfront shopping complex against the Pick n Pay supermarket. The table clearly indicates that the stores, average growth percentages are greater than Pick n Pay's Waterfront supermarket.

Table 2.5: Total combined Waterfront stores' turnover percentage versus Pick n Pay's Waterfront supermarket turnover growth percentage

Waterfront stores turnover growth % vs Pick n Pay's turnover growth %

Time frame	Waterfront stores				Pick n Pay			
	2006		2007		2006		2007	
	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Increase / decrease	9	8	8	12	4	5	5	6

Source: (Victoria and Alfred Waterfront: 2007)

Table 2.5 indicates turnover increase growth percentages of stores that trade at the Waterfront shopping complex against the turnover growth increase percentage of Pick 'n Pay's Waterfront supermarket. The mean percentage increase of the stores that trade at the Waterfront is 9.25% against the Pick n Pay supermarket's increase of 5%. From this information it can be deduced that there is a question mark about why Pick 'n Pay is increase percentage is less than the other stores that trade at the Waterfront shopping complex.

2.10 HIV / AIDS

HIV/AIDS has become an increasing threat to all businesses and society, in general. It is one of the major factors that influence absenteeism amongst employees at the workplace, and which also influences customer perceptions of services. Therefore, it has become necessary to include HIV/AIDS in this study. One in ten South Africans who are presently aged between twenty and forty years of age, are expected to die from HIV/Aids related illnesses. By the year 2010 around 25% of the adult population will be HIV positive, this equates to more than six million people. Aids will directly affect productivity in the workplace and the competitiveness of South Africa's economy. Productivity and profitability are directly and negatively impacted.

Absenteeism will result from sickness and funeral attendance. A decrease in employee morale could occur as a result of staff working increased hours to compensate for staff shortages owing to illness. Industrial relations issues may be the cause of absenteeism.

(<http://www.hiv aids.co.za>).

Pick n Pay management recognises HIV/AIDS as one of the most significant challenges that affect the country and they are committed to addressing the issue in a structured manner. An HIV/AIDS programme was established in collaboration with Pick n Pay employees union. Legal rights of all HIV positive employees are respected and no form of victimisation, prejudice or discrimination against employees with Aids, are tolerated. Assistance is offered to HIV-positive employees and includes free anti-retroviral medication, while rape victims also receive assistance.

Pick n Pay's HIV/AIDS employee education and information program comprises the following three phases:

- Phase one - Prevention: information on HIV/AIDS is distributed to employees. The literature, which is distributed, promotes health awareness and discourages the spread of HIV/AIDS. Condoms are made available to staff and supervisors are provided with guidelines on how to manage and educate around HIV/AIDS in the workplace;
- Phase two – Treatment: A comprehensive programme, at no charge, includes voluntary testing, pre and post – test counselling and support services that are available to rape and HIV/AIDS employees; and
- Phase three – Coping: the company encourages a supportive and non discriminatory environment (PnP, 2005: 71).

2.11 CONCLUSION

According to Zeithaml and Bitner (2000: 74), customer perception refers to the manner in which consumers perceive services in terms of quality of service and how they perceive the overall experience that they encounter at the point of contact between employee and consumer. The supermarket constitutes a service orientated industry because of the tangible contact between consumer and service providers. The supermarket is a labour intensive service industry and various factors contribute to the wellbeing and profitability of any organisation. Absenteeism constitutes a phenomenon which is experienced by companies throughout the world and some organizations have established policies to restrict the abuse of leave, whilst others tend to ignore the issue.

This chapter has outlined the concept of absenteeism and the causes thereof. Based on evidence derived from various sources, it appears evident that companies that choose to ignore issues pertaining to customer services will show adverse effects in costs, profitability and productivity. Books and journals have been published by renowned authors, which detail ways to combat absenteeism and improve customer services that are related to other industries and a few that are related to the supermarket sector (Dyer-Smith and Wesson, 1997: 515; McHugh, 2001: 5; Madslie, 2004: 1).

Reference is made to different types of customer service expectations, drivers of quality and results of poor service delivery and different measures of customer satisfaction. The availability of literature, which relates to the supermarket sector regarding customer services and employee absenteeism, is virtually non-existent. Literature from other industries concerning customer services and absenteeism was applied to answer the two research questions:

“To determine customer perceptions of services rendered by employees who work at Pick n Pay’s Waterfront supermarket and to establish the role of customer services in this process and to create a learning culture in the organisation”.

Chapter three discusses various methodologies, which were used to investigate the research problems, while different approaches that were adopted to find solutions to the current research, are also discussed.

CHAPTER 3

RESEARCH DESIGN AND METHODOLOGY

3.1 INTRODUCTION

A critical determinant of the quality of any empirical study and the significance of its findings lie in its design. The methodology section provides a detailed description of the methods, which were adopted in the research. This chapter addresses the research questions and various methods that can be used to retrieve information are discussed. From the preceding literature it is evident that this study has investigated customer perceptions on services that are rendered by employees at the Pick 'n Pay's Waterfront supermarket and was sufficiently complex to warrant a planned procedure of investigation. According to Zeithaml and Bitner (2000: 50), customers have different types of expectations about service. The most important of these expectations is desired service, which is defined as levels of service that customers expect to receive from employees and adequate service, which meets the needs of customers. Furthermore, customers establish a sense of trust and confidence in the service provider and, over a period of time becomes familiar with the organisation and, in the process, ties are established. The customer receives special treatment and receives the benefit of doubt in times of uncertainty. The case study takes into account that customer objectivity does exist and that the data collected, involves perceptions of external phenomena and should be defined by triangulation.

The main purpose of this case study is based on customer perceptions of services rendered by employees of the Pick n Pay's Waterfront supermarket. In order to acquire knowledge regarding customer perceptions, an in-depth insight is required into certain defined areas.

This in-sight was obtained through a process of quantitative research. The following concepts and terminology, which relate to the research design and methodology in this case study, are expressed in this study as follows:

- Descriptive statistics – are used to summarise data either numerically or graphically to describe samples;
- Mystery shoppers – posing as normal customers who perform specific tasks such as purchasing a product, asking questions, registering complaints or behaving in a certain way and, then providing a detailed report to the company about their experience;
- Primary Data – is data gathered within the context of a scientific investigation;
- Quantitative data – is data measured or identified on a numerical scale and can be analysed by using statistical methods and the results can be displayed by using Tables, charts, histograms and graphs; and
- Surveys – collecting information by using a sample of a population.

3.2 RESEARCH APPROACH: A QUANTITATIVE PARADIGM

For the purpose of the quantitative component of the research Parasuraman, *et al.* (1991: 445) Servqual questionnaire was adopted and administered. The wording of the questions was changed to suit the case study. According to Lamb *et al.* (2000:116), quantitative methods typically use numbers and are deductive. Furthermore, it involves the researcher as an objective, impartial observer and may focus on cause and effect. Quantitative methods require a hypothesis to be drawn and the drawback of this method may force people into categories. Therefore, the research cannot go into much depth about subjects and issues. Following a comprehensive review on research, Zeithaml and Bitner (2000) found that quantitative data

collection is important to assess and improve customer services and is normally used in customer focus groups for informal conversations with individual customers and direct observation of service transactions (Zeithaml and Bitner, 2000: 111).

Within the context of the present investigation, a quantitative approach allows the organisation to be viewed in its entirety. This allows the researcher to get close to customers and to acquire their thoughts and perceptions about services rendered by employees. As the researcher needed to develop an understanding of existing resources within the environment (Pick n Pay Waterfront) and analyse these according to a cross section of customers, a quantitative paradigm was deemed appropriate for this study.

A case study is an empirical enquiry, which according to Yin (1994: 3), is utilised to investigate a phenomenon within its real-life context and in which multiple sources of evidence are used.

3.3 RESEARCH DESIGN

According to Welman and Kruger (2001: 46), research design involves the methodology used to conduct research. Having selected a quantitative research paradigm to guide the research process of defining, identifying, interpreting and assessing, an appropriate research design was developed that is based on non-empirical, as well as empirical research methodology.

3.3.1 Non- empirical studies

A model of customer retention benefits to the organisation adapted from Zeithaml and Bitner, (2000: 143) (see Figure 2.5, page 36) was developed to improve customer service relationships and to improve loyalty for the brand.

3.3.2 Empirical studies

The empirical investigation of the present study was based on quantitative research methodology, which included a questionnaire that was completed by customers in relation to the area of study. A sustainable research design needed to be followed in the event that this quantitative research project should contribute towards future research.

The Servqual model of Parasuraman *et al.* (1991: 445) was adapted to measure and record customer perceptions regarding services rendered by Pick n Pay Waterfront employees. Zeithaml and Bitner (2000: 289) indicate that service employees can influence the five Servqual Dimensions. The five dimensions as stated are:

- Reliability: delivering the service as promised;
- Responsiveness: staff willingness to assist consumers;
- Assurance: employees' ability to communicate with customers and to inspire trust and confidence;
- Empathy: with the customer by paying attention to their needs and wants; and

- Tangibles: employee appearance and dress are important dimensions, while a lack of employee presence at service counters can cause irrefutable damage to the organisation.

Two sets of surveys were conducted at different times over a three day period. The first survey was conducted in the morning when fulltime employees were on duty. The second survey was conducted in the afternoon when Variable Time employees were on duty. The rationale behind this approach was to differentiate, which set of employee's service deliverance had a greater impact on customers' perceptions of services rendered by Pick n Pay Waterfront supermarket employees. The service areas are the main composite of a supermarket and the Servqual model was the most appropriate survey for this study.

3.4 RESEARCH METHODOLOGY

Research methodology can be related to a project, which is structured around a start and end date. The project is segmented into work breakdown structures that prioritise important tasks and the timeframe to complete the given tasks. Selection of the case study as research method is directly linked to a quantitative research approach. The research design encompasses both non-empirical and empirical studies. The methodology utilised in this research is firmly based in a quantitative deductive design and is underpinned by a paradigm in customer perceptions. There are two different types of research methods that are available to the researcher, namely quantitative and qualitative research methods. Both methods are important and the qualitative method is included in this research from time to time. The quantitative research method was adopted for this study because the questionnaire required numeric responses from customer respondents.

Qualitative random variables yield non numeric responses, whilst quantitative random variables yield numeric responses (Welman and Kruger, 2001: 250). The following schematic presentation is a representation of the research methodology that was utilised, and includes its grounding.

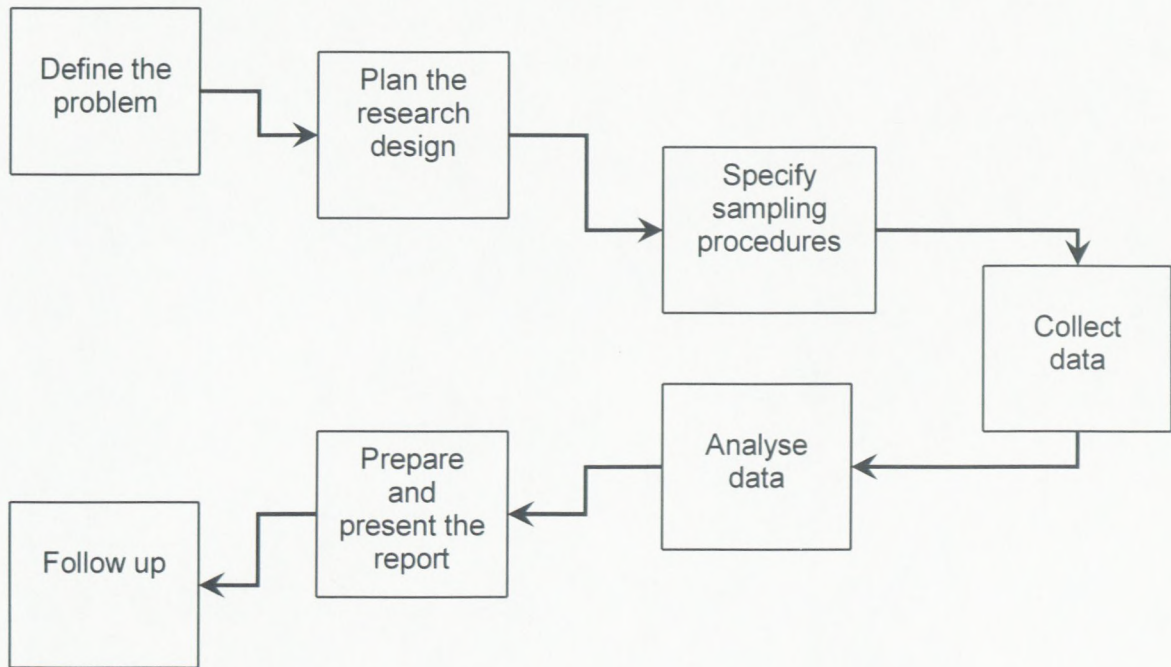


Figure 3.1 Research process is a schematic presentation of the research methodology that was utilised in this study

3.4.1 Conceptual framework

It is contended that a formally defined conceptual structure is essential as it expresses the researchers “understanding of the topic and clearly sets out the framework to be explored (Miles and Huberman, 1994 cited in Cepeda and Martin, 2005:58). Perry (1998) also states that “in a case study thesis, prior theory provides a focus to the data collection phase in the form of research issues that always concludes with the literature review” (Perry, 1998: 790). The conceptual structure explains key factors, as well as the presumed relationship, between them.

3.4.2 Research cycle

The cycle that makes up research methodology is described by Lamb *et al.* (2000:106) as “a scientific approach to decision making that maximise the chances of getting accurate and meaningful results.” It consists of a plan, data collection, analysis and reflection.

- **A plan** refers to the research design, which is based on a quantitative, deductive approach that should be grounded in customer perceptions. A case study using Pick n Pay Waterfront as a subject was selected in order to ascertain customer perceptions of services rendered by the store’s employees.

It has been noted that non-empirical and empirical methods were used. These are represented by a literature review that provided a background towards establishing a framework for the conceptual framework, while semi-structured interviews were conducted with selected customers who had previously shopped at the store to identify past and present shopping experiences. The learning process was established by survey questionnaires and mystery shoppers.

- **Data collection** In order to obtain information regarding customer perceptions of services rendered by employees, a questionnaire was administered to 116 customers. Data collection was determined by the plan outlined in the previous stage. A note of caution to the reader, since although collecting and analysing are represented by two different stages, they may have close interrelations in practise and therefore, new avenues may be opened during the interviews. The researcher should be receptive to new information that may come to the fore and that can be added to the interview in order to incorporate emerging issues.

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Three consumer managers from the mentioned store, as well as the researcher, administered the questionnaire.

- **Analysis** continues once the collection of data has ceased. Analysis is the process whereby data is captured and recorded, which allows for the identification of trends and a history of the situation. Furthermore, analysis permits the researcher to become immersed in the problem and to learn more about customers' perceptions. A statistician was consulted to assist with the analysis.
- **Reflection** The research process and the outcomes are reflected during this stage so that the recordings can be compared with the conceptual framework. The researcher should look beyond the data in order to build theory (Cepeda and Martin, 2005:860).
- **Theory building**, as described by Coffey and Atkinson (1996), cited in Cepeda and Martin (2005:860), refers to "creative intellectual work." The conceptual framework and the research cycle build knowledge and theory and reflect the researcher's understanding, while it confirms the research territory and guides the research cycle, thus revealing new understanding, about the research problem. This new understanding results in new knowledge that can be used to build theory that is not only relevant to the particular case study, but can be applied to various other situations.

.3.4.3 Conclusion

The above approach ties in well with the research questions pertaining to the case study:

- What are customer perceptions of services that are rendered by employees who work at Pick n Pay's Waterfront supermarket?

(Methodology: Literature review resulting in the conceptual framework).

- What new learning cultures with regard to customer services can be created in the supermarket?

(Methodology: Data collection by means of questionnaire and mystery shoppers to establish ways to improve services).

3.5 INSTRUMENTATION

Data was generated by means of a questionnaire comprising twenty one questions. Three mystery shoppers were used to identify and gain insight regarding customer perceptions of services that are rendered by Pick n Pay Waterfront employees. Furthermore, the questionnaires and mystery shoppers could assist in creating a productive and profitable environment, whilst also providing a competitive advantage over its competitors.

3.5.1 Sample Design

The sample size numbered 116 customers who shop at the Pick 'n Pay Waterfront supermarket. Every attempt was made to equalise the number of interviews that were conducted in the morning and afternoon. Customers were selected randomly and their profiles included gender, age, ethnicity, race, income and education. Respondents comprised 70 women with a mean age of 30 and 46 men with a mean age of 35.

A pilot study of five surveys was conducted to rectify all administrative errors that may be experienced during the test run. In the five test-run surveys, customers had to enter their name, sex, age, residence, type of employment, time of interview and telephone numbers within the social dynamic section of the questionnaire.

The five customers mentioned that the details required in the survey were too personal and that they were not prepared to reveal this information. The social dynamic section was changed to sex of respondent, age, income, residential status and frequency of visit to Pick n Pay's Waterfront supermarket. The questionnaire applied 7 point Likert scale with 1 representing strongly disagree and seven representing strongly agree. The respondents were told to tick the most appropriate rating pertaining to the questions. Interviews were conducted at different timeframes during a three-day period. The first interviews with customers were conducted when FTEs were on duty between 10:00 and 15:00. The second interview with customers was conducted when VTEs were on duty between 16:00 and 22:00. The duration of the interview was determined by the respondent's time constraints. Customers were given a choice to select if his or her response will be open or close ended questions. The estimated time of the interview ranged between twenty and thirty minutes and, an English medium was the official language of the interviews.

3.5.2 Questionnaire

A questionnaire is an instrument, which contains open or closed questions or statements to which a respondent should react and, furthermore, it is also used to collect data. Van Breda (2006: 84) cites the NEW Dictionary of Social Work (1995: 51), which states that a questionnaire can be defined as "a set of questions on a form which is completed by the respondent in respect of a research project. The question can be open (for example, "Do you have any comments on the matter?") or closed with an option to respond "Yes" or "No" (for example, "Have you missed classes in the month?"). Alternatively, a questionnaire may contain statements to which respondents are requested to react. The basic objective of such a questionnaire is to obtain facts and opinions about a phenomenon from people who are informed on the concerned matter.

According to Gillham (2000: 66), there can be no precise formula, which identifies questionnaire features that reduce errors. Questionnaires are probably the most generally used quantitative measuring instrument. There are different types of questionnaires that can be identified, which are presented below:

- Mailed Questionnaire – sent by mail with a hope that the respondent will complete and return it;
- Telephone Questionnaire – as in the case of a mailed questionnaire, the researcher and respondent are physically removed from each other, but are able to communicate with each other telephonically about the contents of the questionnaire;
- Personal Questionnaire – in this case the questionnaire is handed to the respondent who completes it on his or her own;
- Questionnaires delivered by hand – these questionnaires are delivered by hand so that respondents can complete them in their own time, and are collected later. It is important that an appointment is made to collect the questionnaires and should not be more than 48 hours after delivery; and
- Group administered questionnaires - in this case respondents are present in a group and complete the questionnaire on their own without discussion with other members of the group.

The Servqual questionnaire draft was adapted for the research study and some of the words in the questions were changed to accommodate the relevant research questions. In the process of answering the questionnaires in order to provide qualitative responses, respondents were informed that they had a choice to add extra information to the questionnaire, which could enrich the data.

According to Wegner (2000: 15), there are three important data collection methods, which include direct observations, interview methods and experimentation. In the direct observation method, primary data can be collected by directly observing the subject or item in motion. The most likely situation where the direct observation method can be applied is traffic surveys, pedestrian flows and quality inspections. The interview method is the most common form of data collection in the marketing field. Personal interviews, postal surveys and telephone surveys are three ways of gathering data.

In personal interviews, questionnaires are completed face to face with the respondent. The advantages are a higher response rate and data collection is immediate with an assurance of greater accuracy. The disadvantage of the personal interview is that it is time consuming. When samples are geographical, then the use of postal surveys becomes effective. Advantages of the postal survey are that it reaches a bigger audience and is more cost effective. The telephone survey is conducted telephonically with respondents and combines several advantages of postal surveys and personal interviews. The experimentation method of primary data collection is an understudy, which can be monitored and recorded. Close-ended questionnaires adopting the 7 point Likert scales was selected as a medium of data collection and were compiled with the following goals in mind:

- To determine what are customers' perceptions of services rendered by employees who work at the supermarket;
 - The stores service levels compared to its competitors;
 - Determine the service quality provided by different types of employees (VTEs and FTEs);
 - To improve on service quality levels and to strive to attain world class service standards;
- and

- To create a culture of learning amongst employees.

The questionnaire comprised of different dimensions with each measuring a particular aspect of customer perception. A coding system was used not only to ensure frank and honest responses, but also to enhance the validity and reliability of the questionnaire. The results were gathered on an Excel spreadsheet, which tabulated key numeric responses in accordance with the abovementioned goals. The data was measured on a numerical scale and was analysed by using statistical methods and results, which were displayed by using tables and bar charts.

This study made use of the quantitative random variable and the primary data collection method was the Servqual surveys. Furthermore, three mystery shoppers were also used to determine the type of service quality that is rendered by employees. The mystery shoppers were provided with twenty one questions, which assessed the employee service performance. The questionnaire that was adopted by the mystery shoppers shows the included questions below:

1. Are window displays in line with the Waterfront Mall's image?
2. Is there sufficient lighting in the store?
3. Is the store clean and tidy?
4. Is the store's layout simple? (it is easy to shop in the store)?
5. Is the décor appealing (merchandise was attractively displayed)?
6. Do you feel welcome in the store?
7. Do assistants chat amongst themselves?
8. Do assistants portray an image that I expect at the Waterfront Mall?
9. Was an employee available to help me when I needed assistance?
10. Are assistants friendly and enthusiastic?
11. Do assistants display a willing attitude towards my needs as a shopper?

12. Were assistants able to assist me with my queries (good product knowledge / on service on offering)?
13. Did the manner in which assistants interacted with me make me feel confident in the store?
14. Did the assistant refer me to another store in the mall if the product / service was not available?
15. Did I wait an unacceptable period of time in the queue?
16. Was the till point clean and tidy?
17. Was the assistant friendly and enthusiastic?
18. Was my transaction processed quickly and efficiently?
19. What was my overall impression of the store environment?
20. What is my overall rating of the service received in the store (the treatment I received encouraged me to return to shop at the store)?
21. What is my overall impression of the vibe and atmosphere in the store?

All questions were rated according to a seven point scale, which were:

- 0.0% = disastrous;
- 16.7% = very poor;
- 33.3% = poor;
- 50.0% = average;
- 66.7% = good;
- 83.3% = very good; and
- 100.0% = superb.

These assessments were undertaken during different days and timeframes.

In order to gather data and information, the Servqual questionnaire survey, which is a multidimensional research instrument, was adapted to measure customer perceptions in order to capture customer assessments of service quality. Furthermore, the mystery shopper's survey, conducted by three different customers, was conducted to obtain immediate feedback on performance of service transactions and would afford a means to measure variation in service delivery. The purpose of this form of survey is to capture key service encounters with customers. According to Zeithaml and Bitner (2000: 118), the mystery shoppers are required to answer a short list of questions immediately after their transactions had been processed.

Based on the literature review, the Servqual Perception Survey Questionnaire was adopted and a statistician was consulted to assist in analysing the data. Research, which measures customer services, has been conducted by various authors with some in favour of the Servqual Survey and other authors against it. Dube *et al.* (1994: 41) stated that the "concept of service quality" does not feature in the Servqual Survey. Siu and Cheung (2001: 88), cited in Dabholkar *et al.* (1996: 445) indicate that the Servqual scale for measuring service quality "is not suitable for the retail store environment."

The researcher decided to apply the Servqual Survey because he believes that the supermarket provides a service to the customer. Therefore, the supermarket should be considered as a service industry. According to Dabholkar *et al.* (1996: 445), the Servqual Survey applies to retail business that offers services as a core principle. Zeithaml and Bitner (2000: 289) indicate that employees can influence the five Servqual Dimensions, which are reliability; delivering the service as promised, responsiveness; staff willingness to assist the consumer, assurance; an ability of their employees to communicate with customers and to inspire trust and confidence, empathy with the customers needs; and wants and tangibles; which apply to employee appearance and dress, which an is important dimension, while a the lack of employee presence

at service counters can cause irrefutable damage to the organisation.

The Servqual model was chosen because it was the most appropriate survey to conduct for this study. Also, as a supermarket has various service departments, some departments require little customer and employee interaction, for example, groceries, while other departments are solely dependent on customer and employee interaction.

The Servqual model can identify and isolate poor performing departments and assist the organisation in rectifying any potential weak areas before it becomes detrimental to the organisation. The Servqual model is seen by the researcher as the most appropriate survey to conduct this research, as it provides a general customer view of the trading area and an overview of the customer and employee contact relationship. Service departments in the supermarket generate the highest gross profit and, therefore, the company is reliant on their employees to create a sound relationship with their customers. These reasons have enticed the researcher to adopt the Servqual model for this study. The Servqual twenty one questions were adopted and the exact wording were changed to suit the research. The questionnaire was as follows:

3.5.3 Perception Statement in Reliability Dimension

- When Pick n Pay promises to do something by a certain time, it does so.
- When you have a problem, Pick 'n Pay shows an interest in solving it.
- Pick n Pay employees perform the service right first time
- Pick n Pay provides services at the times that it promises to do so.
- Pick n Pay keeps customers informed (through advertising) about when services will be performed.

3.5.4 Perception Statement in Responsiveness Dimension

- Employees at Pick n Pay give you prompt service.
- Employees at Pick n Pay are always willing to help you.
- Employees at Pick n Pay are never too busy to respond to your request.

3.5.5 Perception Statement in Assurance Dimension

- The behaviour of Pick n Pay employees instils confidence in you.
- You feel safe in your transactions with Pick n Pay.
- Employees are consistently courteous towards you.
- Employees at Pick n Pay have the knowledge to answer your questions.

3.5.6 Perception Statement in Empathy Dimension

- Pick n Pay employees give you individual attention.
- Pick n Pay has your best interests at heart.
- Pick n Pay employees understand your specific needs.
- Pick n Pay has employees who give you individual attention.

3.5.7 Perception Statement in Tangibles Dimension

- Pick n Pay uses modern looking equipment.
- Pick n Pay's physical facilities are visually appealing.
- Pick n Pay employees appear neat.
- Pick n Pay's advertising material is visually appealing.
- Pick n Pay has convenient business hours.

3.6 RESEARCH SITE

The research site was Pick 'n Pay Waterfront supermarket, which is situated at the Victoria and Alfred Waterfront shopping complex in Cape Town. The supermarket offers a self-help grocery section with a range of service departments (Deli, Bakery, Butchery, Fish shop, Coffee Bar and Fast Foods take-always) which offer a range of speciality foods and a coffee bar on premises.

The Pick 'n Pay Waterfront supermarket employee composition is indicated in Table 2. 4 (refer to p46), and demonstrates that there are more VTEs at Pick 'n Pay Waterfront than FTEs. The service department is staffed as follows: employees who assist customers are called service assistants staff, and production staff who prepare products for sale and also assist customers. The service department staff also includes a supervisor and a manager. The function of a supervisor is to ensure the smooth functioning of the service department, while assisting and motivating subordinates who work with him / her to achieve company goals and objectives. The manager has an overall responsibility towards the department and some of his / her functions include ordering raw material, establishing production levels, setting budgets and achieving company objectives.

3.7 PROCEDURE

The data collection method was based on the rationale that customers will be more attentive to the environment that he or she would evaluate and that their responses will be more accurate. Being in their natural environment (supermarket setting) is preferable to sitting at home or at different locations amid distractions that would take precedence over a task of completing a survey. On the scene evaluation will result in the customer focusing on important service quality dimensions that may not be evident to the store management.

Customers were approached to complete the questionnaire as they entered the supermarket before they began their shopping, hoping that their previous experiences would be reflected in the survey.

Rust and Oliver (1994), cited in Dabholkar *et al.* (1996: 9) concluded that interviewing after a customer's shopping experience may reflect current service experience rather than service quality.

All respondents were asked if they had previously shopped at the supermarket before they were approached to complete the survey. The respondents were informed that the survey was for academic purposes. The data was collected during a three day period prior to the Christmas shopping season at Pick n Pay's Waterfront Supermarket entrance. The primary data was collected from Wednesday to Friday and every fifth adult customer entering the supermarket was approached to assist in completing the survey. The surveys were conducted over different timeframes; the first survey was conducted between 10:00 and 15:00 and the second between 16:00 and 22:00 over three days. The three questionnaire administrators were allocated different timeframes to avoid confusion.

The rationale behind conducting the survey at different timeframes is that the company employs different categories of employees (VTEs and FTEs) and to ascertain service quality from the different categories of employees on duty. The FTEs' working hours are from Monday to Friday between 07:00 and 16:00 and on Saturday between 07:00 and 13:00. The VTE employees' working hours are Monday to Friday between 16:00 and 23:00 and on Saturdays between 13:00 and 23:00.

The questionnaires were self-administered by the respondents and they were afforded a table and chair in a quiet area near the store entrance and were provided with a clipboard for their convenience while completing the questionnaires. The questionnaire comprised 21 questions, which relate to the Five Servqual Dimensions (responsiveness, reliability, assurance, empathy and tangibility) on service quality and the company's ability to deliver on their promises. The respondents completed the questionnaires in about 15 minutes. The research site, Pick n Pay Waterfront supermarket, offers a self service grocery section with a range of service areas (Deli, Bakery, Butchery, Fish Shop, and Fast Foods), which offers a range of speciality foods and a Coffee Bar on the premises.

Pick n Pay employs two different categories of employees, namely Full Time Employees (FTEs) and Variable Time Employees (VTEs), with each category of employees working at different hours of the day, which resulted in the surveys being conducted over different timeframes. The timeframes that are listed represent the three different days' when the surveys were conducted:

- The first survey was conducted in the morning (10:00 – 15:00) when the FTEs were on duty and;
- The second survey was conducted in the evening (16:00 – 22:00) when the VTEs were on duty.

Only 16 of the 21 questions were taken into account in the graphs because it is employee related, while the other five questions relate to the company.

There should be closure and correlation with the main research question: what are customer perceptions of services rendered by employees who work at the Pick n Pay Waterfront Supermarket?

3.8 CONCLUSION

The researcher has undertaken a case study, which is grounded in a qualitative, deductive paradigm and is underpinned by an approach that is based on customer perceptions of services that are rendered by employees who work at Pick n Pay's Waterfront supermarket.

The Research Design is a plan on how the researcher conducted the research and his focus on the end result and consists of non empirical and empirical studies, which places the outcome of the study at the centre of the organisation's reality. The Research Methodology focused on the research process and the kinds of tools and procedures that were used. A work breakdown structure of the Research Design and Methodology is provided in this chapter. There were 116 customers who completed the questionnaires. All the customers who completed the questionnaire were not first time shoppers and this approach added an extra dimension to the survey because of their previous encounters and experiences with regard to shopping at the store. The Servqual model questionnaire was chosen because it was the most appropriate survey to use for this study, since the survey questionnaire and research methodology set out to address the two important research questions:

- Question 1: what are customer perceptions of services that are rendered by employees who work at the Pick n Pay Waterfront supermarket?
- Question 2: What new learning cultures regarding customer services can be created in the supermarket?

Chapter four presents the results and analysis of the research, while different approaches that were adopted to find solutions to the current research, are also discussed.

CHAPTER 4

RESULTS AND ANALYSIS

4.1 INTRODUCTION

The research design and methodology were presented in the previous chapter. This chapter contains presentation and interpretation of the results of the empirical research. This research has investigated customer perceptions of services that are rendered by employees who work at the Pick n Pay Waterfront Supermarket, which experienced a lower turnover growth and decline in product sales in 2007 compared to previous years. Pick n Pay employs Full Time (FTEs) and Variable Time (VTEs) employees. The FTEs work 45 hours, for six days per week, while VTEs are guaranteed 60 hours per month and are allowed to work a maximum of 196 hours per month. According to the Sectoral Determination Act (9), under the Basic Conditions of Employment Act No. 75 of 1997 (SD9) agreement, VTEs are entitled to certain benefits. Benefits derived from this agreement are that the VTEs are entitled to leave and sick leave, which are calculated according to the percentage of hours worked per month. VTE employees are guaranteed a set number of hours for the month even if they were not scheduled to work for the month.

It is believed that customers are more satisfied with the services of full time employees rather than variable time employees. In order to test this belief, a questionnaire was developed and three mystery shoppers were contracted. All questions in the questionnaire were developed on a 7-point Likert Scale, where a rating of 1 indicates extreme negative satisfaction in respect of service and a rating of 7 indicates extreme positive satisfaction (See Appendix (1) for the complete questionnaire).

The mystery shoppers were also given a questionnaire with all questions rated on a 7 point scale. (See Appendix (2) for the complete questionnaire). See page 64 for the 7 scale ratings.

Mystery shoppers are used as tools that are used by marketing research companies to measure service quality and to gather information about products and services. They pose as normal shoppers who purchase products, ask questions, and test employees' product knowledge, register complaints, and provide feedback to the organisation about their experiences.

4.2 METHODOLOGY

The survey was conducted at the Waterfront Branch of Pick n Pay over a period of three days at different times for the purpose of the Servqual questionnaire. The mystery shopper's survey was also conducted over three days at different times in order to accommodate the different categories of employees. In the case of the questionnaires, customers were randomly selected and were approached to assist with the survey and to complete the questionnaire. Both surveys were conducted on a Wednesday, Thursday and Friday.

The FTE employee working hours are between 07:00 and 17:00 from Monday to Saturday, while the VTE working hours are between 14:00 and 22:00 from Monday to Sunday. The rationale behind selecting Wednesday, Thursday and Friday to conduct the surveys was twofold, namely:

- The selected days are busy shopping days when the store is patronised by a diverse range of customers; and
- A larger compliment of employees from both FTE and VTE categories work on these days.

The mystery shopper's days were selected for Wednesday, Thursday and Friday on different dates to the questionnaires. The reason for selecting these dates and times were the same as for the questionnaires. The total number of customers was 116 that completed the questionnaires, which were distributed as follows over the specific days.

- Wednesday – 38 customers;
- Thursday - 39 customers; and
- Friday - 39 customers.

4.3 STATISTICAL ANALYSIS

The chi-square statistic that is cal analysis was used to analyse the data for this study. Chi-square statistics comprised a measure that is commonly used to test hypothesis on results of a random variable in a population. The chi-squared method was used to test for proportional differences, which is also better known as testing for independence

According to Wegner (2000: 248), there are three areas where the chi-square test for significance is applied, namely:

- Test for independence of association;
- Test for equality of proportions in more than two populations; and
- Goodness – of – fit test.

The data that is required for the above situations is frequency counts. Wegner (2000: 249) states that the chi-square statistic tests the hypothesis by comparing a set of frequencies.

The aim of the hypothesis is to establish two categories of variables that are independent of each other. Furthermore, the author continues to state that the test of equality of proportions in more than two populations is equivalent to the independence test.

The forms of analysis that was used for the mystery shoppers' assessment range from a simple questionnaire to complete audio sound and video recording. Mystery shoppers are often given instructions to test the knowledge and service skills of employees. The information that is acquired is then analysed and submitted to the client organisation. For the purposes of this study, the mystery shoppers were equipped with a set of questions (See Appendix 2 for Questionnaire).

Four different χ^2 - tests were conducted: In the first test no distinction was made between the different days, followed by;

- A Wednesday;
- Thursday; and
- Friday analysis.

In all four cases the following hypotheses were tested:

- **Ho:** There is no difference in the service satisfaction that customers have between FTE and VTE employees.
- **Ha:** There is a difference in the service satisfaction that customers have between FTE and VTE employees.

The χ^2 is based on the P – Value where $0 \leq p \leq 1$. If $p=0$, Ho (test of no difference) will always be rejected.

It will only be necessary to conduct test 2 to 4 above if test one indicates a significant difference.

It is also necessary to point out that the χ^2 test is a test of no direction; this means that if a significant difference exists (test 1), it is not known which group is perceived to be the better group. In such a case, other statistical tests are needed, if necessary.

TEST 1

Table 4.1 below presents a cross tabulation for the entire sample (Test 1).

Table 4.1 Employee Type and Customer satisfaction irrespective of day of the week

Likert Scale	1.00	2.00	3.00	4.00	5.00	6.00	7.00	Total
1.00 Full-time	3 .4 3.9 .2	1 .1 1.3 .1	31 4.2 12.1 1.9	270 36.7 44.6 16.5	146 19.8 58.4 8.9	127 17.3 71.3 7.7	158 21.5 81.0 9.6	736 44.9
2.00 Variable time	74 8.2 96.1 4.5	77 8.5 98.7 4.7	226 25.0 87.9 13.8	336 37.1 55.4 20.5	104 11.5 41.6 6.3	51 5.6 28.7 3.1	37 4.1 19.0 2.3	905 55.1
Column Total	77 4.7	78 4.8	257 15.7	606 36.9	250 36.9	178 10.8	195 11.9	1641 100.0

$$\chi^2 = 396.0475$$

$$p = 0, 0000$$

In total, there were 1641 responses of which 44,9% were in respect of FTEs and 55,1% were VTE employees. The null – hypothesis of independence is rejected at any level of significance ($p = 0,000$). Therefore, customers rate FTE and VTE differently in respect of service satisfaction.

Table 4.2 below presents percentages of all the responses.

Table 4.2 Employee numbers and percentages (All)

Employees	Negative 1-3	Neutral 4	Positive 5-7
Full time	35 (8, 5%)	270 (44, 6%)	431 (69. 2%)
Variable time	377 (91, 5%)	336 (55, 4%)	192 (30. 8%)

Table 4.2 above split the satisfaction rating into three groups. Since a 7-point scale rating was used, a rating of 4 can be seen as being neutral. A negative satisfaction is reflected for ratings lower than 4 and a positive rating for ratings higher than 4. It is noticed that 91, 5% of all negative responses is in respect of VTE employees and FTE is only 8, 5%. This is an indication that customers are more satisfied with FTE than with VTE employees.

TEST 2

Table 4.3 below presents a cross tabulation for Wednesday's entire sample (Test 2).

Table 4.3 Employee Type and Customer Satisfaction (Wednesday)

Likert scale	1.00	2.00	3.00	4.00	5.00	6.00	7.00	Total
1.00 Full-time	.0 .0 .0	.0 .0 .0	7 3.1 9.9	107 47.8 45.0	31 13.8 52.5	24 10.7 55.8	55 24.6 77.5	224 42.4
2.00 Variable time	27 8.9 100.0 5.1	19 6.3 100.0 3.6	64 21.1 90.1 12.1	131 43.1 55.0 24.8	28 9.2 47.5 5.3	19 6.3 44.2 3.6	16 5.3 22.5 3.0	304 57.6
Column Total	27 5.1	19 3.6	71 13.4	238 45.1	59 11.2	43 8.1	71 13.4	528 100.0

$$\chi^2 = 106.6647$$

$$p = 0, 0000$$

In total, there were 528 responses of which 42, 4% were in respect of FTEs and 57, which was 1% in respect of VTE employees. The null – hypothesis of independence is rejected at any level of significance ($p = 0,000$). Therefore, customers rate FTEs and VTEs differently in respect of service satisfaction.

Table 4.4 presents percentages of Wednesday’s responses.

Table 4.4 Employee numbers and percentages (Wednesday)

Employees	Negative 1-3	Neutral 4	Positive 5-7
Full time	7 (6, 0%)	107 (44, 6%)	110 (63, 6%)
Variable time	110 (94, 0%)	131 (55, 4%)	63 (36, 4%)

If the same reasoning is followed as in Table 4.2, it may be we concluded that customers are more satisfied with FTEs rather than VTEs (compare 6% with 94%).

TEST 3

Table 4.5 below presents a cross tabulation for Thursday’s entire sample (Test 3).

Table 4.5 Employee Type and Customer Satisfaction (Thursday)

Likert scale	1.00	2.00	3.00	4.00	5.00	6.00	7.00	Total
1.00	1		3	46	86	52	57	245
Full-time	.4	.0	1.2	18.8	35.1	21.2	23.3	45.0
	5.0	.0	3.6	33.1	73.5	59.3	77	
	.2	.0	.6	8.4	15.8	9.5	10.5	
2.00	19	37	80	93	31	23	17	300
Variable time	6.3	12.3	26.7	31.0	10.3	7.7	5.7	55.0
	95.0	100.0	96.4	66.9	26.5	30.7	23.0	
	3.5	6.8	14.7	17.1	5.7	4.2	3.1	
Column	20	37	83	139	117	75	74	545
Total	3.7	6.8	15.2	25.5	21.5	13.8	13.6	100.0

$$\chi^2 = 195.6577$$

$$p = 0, 0000$$

In total, there were 545 responses of which 45, 0% were in respect of FTEs and 55, 0% in respect of VTEs. The null – hypothesis of independence is rejected at any level of significance (p = 0,000). Therefore, customers rate FTEs and VTEs differently in respect of service satisfaction.

Table 4.6 Presents percentages of Thursday’s responses.

Table 4.6 Employee numbers and percentages (Thursday)

Employees	Negative 1-3	Neutral 4	Positive 5-7
Full time	4 (2, 9%)	46 (33, 1%)	195 (73, 3%)
Variable time	136 (97, 1%)	93 (66, 9%)	71 (26, 7%)

From Table 4.6 it appears that 97, 1% of all negative responses is in respect of VTEs, while FTEs is 2, 9%. This is an indication that customers are more satisfied with FTEs rather than VTEs.

TEST 4

Table 4.7 below presents a cross tabulation for Friday’s entire sample (Test 4)

Table 4.7 Employee Type and Customer Satisfaction (Friday)

Likert Scale	1.00	2.00	3.00	4.00	5.00	6.00	7.00	Total
1.00 Full-time	1 .4 3.4 .2	1 .4 4.5 .2	20 7.9 19.6 3.6	112 44.3 50.0 20.2	29 11.5 39.2 5.2	47 18.6 83.9 8.5	43 17.0 91.5 7.8	253 45.7
2.00 Variable time	28 9.3 96.6 5.1	21 7.0 95.5 3.8	82 27.2 80.4 14.8	112 37.2 50.0 20.2	45 15.0 60.8 8.1	9 3.0 16.1 1.6	4 1.3 8.5 .7	301 54.3
Column Total	29 5.2	22 4.0	102 18.4	224 40.4	74 13.4	56 10.1	47 8.5	554 100.0

$$\chi^2 = 139.5013$$

$$p = 0, 0000$$

In total, there were 554 responses of which 45, 7% were in respect of FTEs and 54, 3% in respect of VTEs. The null – hypothesis of independence is rejected at any level of significance ($p = 0,000$). Therefore, customers rate FTEs and VTEs differently in respect of service satisfaction.

Table 4.8 indicates the numbers and percentages of Friday's responses.

Table 4.8 Employee numbers and percentages (Friday)

Employees	Negative 1-3	Neutral 4	Positive 5-7
Full time	22 (14, 4%)	112 (50, 0%)	119 (67.2%)
Variable time	131 (85, 6%)	112 (50, 0%)	58 (32.8%)

From Table 4.8 it appears that 85, 6% of all negative responses is in respect of VTEs and 14, 4% is in respect of FTEs. This is an indication that customers are more satisfied with FTEs rather than VTEs.

4.4 CONCLUSION

From the analysis it appears that there exists a significant difference in the perception of customers in respect of full time employees and variable time employees for those tests that were conducted. In all cases H_0 is rejected at any level of significance.

A point of concern is that (see Table 4-2), on average, 37% of all responses were neutral. A 7-point likert scale was used in the research and a rank of 4 is the mid point. It is, therefore, recommended that if such a survey is repeated, an even scale should be used. In such a case it is possible that the conclusions can be different. Also see the graphs in Appendix 3.

4.5 ANALYSIS OF THE MYSTERY SHOPPERS

Three mystery shoppers were employed to conduct an analysis of customer interaction between themselves and Pick n Pay Waterfront employees. The surveys were conducted by three individuals over three days at different times. The people conducting the surveys were equipped with a questionnaire comprising twenty one questions. The mystery shoppers had to rate all questions in their questionnaires on a seven point scale, where 0.0% = disastrous, 16.7% = very poor, 33.3% = poor, 50.0% = average, 66.7% = good, 83.3% = very good, and 100.0% = superb. This led to a final percentage being awarded by the mystery shopper. The following section presents the verbatim responses from the mystery shoppers.

4.5.1 Mystery shopper number one

This Pick n Pay is well laid out. It is a big store, and the range of merchandise is excellent. It is as clean and tidy as could be expected. The aisles are wide, and even though there are quite a number of customers in the store, it is easy to shop in the store.

The first section I went to was the bakery department. I like being able to see the machinery, and there was a lot of activity there. There was a queue at the rolls, so I stood near the cakes trying to catch the attention of one of the assistants. The assistants were quite noisy, talking to each other and laughing loudly. Eventually, a man came over to me and looked at me, waiting for me to say something. I asked him about their birthday cakes, and he simply handed me a folder without saying a word to me. It was disconcerting, and the least he could have done was to greet me. I called him over again when I had decided on a cake, and he gave me the price of the white sponge cake. I also asked for the price of a chocolate cake, and it was the same price.

Only upon prompting him, did he tell me that I would have to order the cake 4 days in advance. I wanted to purchase rolls, but when I tasted the sample foccaccio bread, I bought one of them instead. The assistant there was friendly, although she was slow. No wonder there was a queue.

The schnitzel in the butchery department was thickly cut, and I asked one of the assistants who packed meat if I could get thin slices of veal schnitzel. She said that she could not do it for me, with no explanation as to why not. I felt as if she did not want to help me. I then asked if I could get thin beef schnitzel, and only then did she tell me that they did not have a slicer and, therefore, could not provide thin slices. I must say that I cannot see why they could not have cut thin slices with a knife - the German butcher that we normally go to always uses a knife. In the deli department the assistant was lethargic and unenthusiastic. She did not know the price of dolmades, and had to ask another assistant. She also did not seem to know the ingredients of some salads. Many of the salads were not marked. Again I had to battle to get the attention of an assistant as a few of them were standing around chatting. At this stage I was really not impressed with the service I had received.

The staff, in general, were chatting loudly to each other, and not paying attention to their customers. It was, therefore, especially good to be helped by Bonga at the fruit and vegetable section. There was a queue to have goods weighed, and he greeted all the customers in a friendly and polite way. He was efficient, working as quickly as he could. Someone else came over to open another weighing station after a while, so the queue began to move faster. The packer in this section was also very quick; putting the new packs behind the old ones to ensure the older ones would be sold first. He was friendly. When I went to the tills, I found one that was open. The assistant greeted me and was efficient. She did not greet me by name when I paid by credit card, which is a polite personal touch that several Pick n Pay stores seem to have introduced.

My transaction was handled well, and I left feeling that I will be back to visit this store. It was well stocked, and the pickled fish that I purchased was delicious. The service that I received could have been better however. My overall rating for the supermarket is 69.3%.

4.5.2 Mystery shopper number two

Pick n Pay Waterfront supermarket is a fairly pleasant supermarket the lighting is good, the floors and shelves are clean, the aisles are wide enough for the traffic and are clearly sign-posted, and items are usually in stock. It took some time to find someone in the non-foods section. Finally, one was found, and I asked him for emery paper. He looked on the shelves [as I have done] and could not find any. When asked, he said that they would be getting in but he did not know when. I queried the relative merits of a genuine versus synthetic shammy for car washing, but he was unable to advise me. He seemed a little vague altogether and was certainly neither helpful nor friendly.

I then spoke to Craig at the wine department who was friendly, helpful and seemed knowledgeable. I asked Chantal and Hilary in the cheese department whether they had any Cheshire cheese. These two were delightful, and as they did not have any, they cheerfully offered to order some for me. I got lucky at the till, since firstly, because I found one without a queue and, secondly, because Ncediswa was on duty. I was greeted with a big smile and a cheerful, "Good Afternoon", and my purchases were rung up promptly while the packer mumbled a greeting, and put two bags around my snail bait, which was good. I left the till point, feeling quite happy in about 60 seconds. What a pleasure. I find Pick n Pay Waterfront supermarket, generally, to be a fairly pleasant place to shop at. I usually find what I am looking for and, generally, the sales and till point assistants are friendly and helpful.

One does not expect supermarket staff to be particularly knowledgeable, and to meet Craig, who was, as well as three cheerful, friendly ladies, made my visit an enjoyable occasion. I should add that my wife tells me that the variety and availability of merchandise is not as good as other Pick n Pay stores such as Constantia Village. They always run out of chicken on Mondays and Tuesdays, for example. My overall rating for the supermarket is 60 %.

4.5.3 Mystery shopper number three

The store was in a fairly good condition, but there is room for improvement. Some of the checkout points were cluttered with merchandise that was left behind by customers. I noticed bits of paper on the floor, empty basket trolleys, baskets scattered around, and untidy checkout points. Shelves were untidy, with items in a jumble and sizes all mixed up. Several items were out of stock, and there were cards in place where merchandise should have been. I looked for a pair of stockings, but there was no assistant to help me. I went to another aisle, and found someone who told me that the assistant of that department was on lunch. She asked me whether she could be of assistance, and helped me with great enthusiasm. The service at the bakery was slow and there was a queue. The assistants were average. The assistant at the till point gave me a welcoming greeting but she did not appear to be too enthusiastic. The packer greeted me and thanked me as I left. I have been a customer of Pick n Pay for the past twenty five years and pack my groceries myself to avoid breakages and perishables smelling like detergents. I had a strong feeling that the staff at Pick n Pay were tipped off about the mystery shopping project. Over the past few weeks I have experienced a dramatic change in the attitudes of assistants for the better. The staff was not unruly and loud on this visit, and the shelf packers in the aisles were not fooling around with each other. When approached for assistance, they helped me instead of ignoring me – as used to be the case.

Last year the public relations officer of the store was transferred to another store. It was a sad day for several customers as she became a friend and was always there to help out with anything. After she left, the service battle continued. A few months ago, to my delight, she was transferred back again. With her return to the store, the staff is more pleasant and helpful; it has become a pleasure to shop there. My overall rating for the supermarket is 59.1%

4.6 SUMMARY OF MYSTERY SHOPPERS

The general consensus amongst the mystery shoppers was that the Pick n Pay Waterfront supermarket is bright and merchandise is well displayed in various departments. The aisles are wide, which makes the products on display easily accessible to customers. Furthermore, there was much space for customer movement and their shopping trolleys in the aisles. The mystery shoppers all agreed that the supermarket was neat and tidy.

However, the mystery shoppers had reservations about some of the employees who work at the supermarket. Their reports indicate that the services that are rendered by Pick n Pay Waterfront employees should improve in order to retain customers and to enhance the value of the Pick n Pay brand. The three mystery shoppers' overall rating of the store, amounted to more than 50 percent each.

4.7 CONCLUSION

Chapter Four was concerned with the presentation, analysis and interpretation of the results of the empirical research. A discussion of the quantitative research data formed a major point of departure for the chapter, followed by a lengthy analysis of the data that emerged from various research methods that were used in the empirical investigation.

The intangible nature of customer service requires a different approach from the tangible service, since it can be touched, seen and tasted.

Tangible services do offer an opportunity to be identified and compared, assisting the organisation in providing a more tangible service. The Pick n Pay Waterfront Supermarket, which is situated in Cape Town, was selected for the study. The researcher modified and adopted the Servqual model (Parasuraman *et al.* 1991:445) questionnaire regarding perceptions, since the survey was most appropriate for this study. Furthermore, the questionnaires can differentiate between the types of service rendered by the employees on duty. The Servqual survey is five dimensional (reliability, responsiveness, assurance, empathy and tangibles) and measures employee responses, as well as the infrastructure of the organisation. The quantitative research method was adopted for this study, because the questionnaire requires numeric responses from the samples. The questionnaires were completed by 116 respondents and were administered by the researcher and the two Customer Service Managers from the Pick n Pay's Waterfront supermarket. The data collection method was based on the rationale that the customer will be more attentive to the environment that he or she evaluates and their responses will be more accurate. In the Servqual Five Dimensions survey only the mean of answers to questions of four dimensions was taken into account because the questions of the fifth dimension referred to the tangibles of the company. The research question addresses customer perceptions of services that are rendered by employees who work at Pick n Pay's Waterfront supermarket. The Servqual Five Dimensions make reference to customer perceptions of services, and was adapted to secure customer perceptions about the services that they had received from Pick n Pay Waterfront employees.

The results of the Chi-square test are indicated in Table 4.1. The null-hypothesis is rejected at

any level of significance ($p=0.0000$). Therefore, it may be concluded that the proportions for the two groups differ significantly from each other and that the customers rate FTEs and VTEs differently in term of service satisfaction.

There exists dependence. Tables 4.3; 4.5; and 4.7 refer to Wednesday, Thursday and Friday, respectively, in all three situations, since each conclude that there exists dependence between customer perception about service satisfaction because there are two subsets and types of employees, irrespective of the day. It should be noted that in all three cases the p-value is equal to 0.0000. As the p-value is equal to 0.0000, the null-hypothesis will be rejected at any level of significance.

Therefore, there is no difference between VTEs and FTEs for the specific question. The null hypothesis will, therefore, be rejected every time. The relative frequency averages in the various dimensions indicate that the service levels that are provided by FTEs, are of an acceptable standard, however, improvement is required to attain world class standards and customers were not satisfied with VTEs service delivery at Pick n Pay's Waterfront supermarket.

The mystery shoppers indicated that some employees provide customer with a pleasant experience, while other employees have a negative approach towards customers. The survey indicates that there is a probability that customer perceptions regarding services lean towards a negative connotation when VTEs are on duty and this might lead to customers having an unpleasant shopping experience.

Chapter Five discusses the results of these analyses and also focuses on the design and implementation of strategies or guidelines, which service industries may use to deal with customer perceptions.

CHAPTER 5

DISCUSSION AND RECOMMENDATIONS

5.1 INTRODUCTION

In the previous chapter the presentation, analysis and interpretation of the results of the empirical research were discussed. Therefore, recommendations are made to the management of Pick n Pay Waterfront with regard to customer perceptions about services that are rendered by their employees. Furthermore, it entails the findings of the survey and how the researcher derived at the conclusions. This chapter focusses on recommendations offered by the researcher.

This study was intended to find answers to the following problem:

Customer perceptions of services that are rendered by employees who work at the Pick n Pay's Waterfront supermarket, which experienced a lower turnover growth and decline in product sales in 2007, compared to previous years.

The research methodology set out to address these two important research questions:

- Question 1: What is the nature of customer perceptions of services that are rendered by employees who work at the Pick n Pay's Waterfront supermarket?
- Question 2: What new learning cultures regarding customer services can be created in the supermarket?

5.2 DISCUSSION

5.2.1 Causes of Dissatisfaction with services

Based on the empirical findings of this study, service delivery by VTEs was the major cause of customer dissatisfaction amongst customers who shop at Pick n Pay's Waterfront supermarket.

Some concerns raised by customers are outlined in the following text.

5.2.1.1 Customer Dissatisfaction: Mystery Shoppers

A) A major problem area was the high noise level amongst bakery staff. A possible reason for this could be the fact that there is no specific form of company policy. Added to this, is the fact that these staff members may simply be bored. In this context, it is, therefore, recommended that staff members be issued with a production sheet, which focusses on the tasks and activities, which should be carried out within a particular timeframe. This should ensure that stricter management control is established. Furthermore, job enrichment should be introduced for these staff members and more diverse tasks that are assigned to them would certainly alleviate boredom. Management must be held accountable for their subordinate's behaviour because they are the custodians of discipline.

B) Another problem that the mystery shoppers encountered in the bakery department was the unwillingness of staff to provide advice in the selection of specialised cakes (birthday and wedding cakes). When customers request cake catalogues, the employees hand these to them and step aside, allowing customers to do their selection. A possible reason for this approach adopted by employees is because they might have limited knowledge about the products and it may also not be in their job description.

Furthermore, a lack of management visibility could cause employees to adopt a non-chalant attitude towards customers. In this context, it is recommended that the bakery manager or his supervisor attends to customer queries about specialised orders. This will ensure that customer satisfaction and advice that they receive from experts will assist customers to enhance their selection process. Furthermore, satisfied customers become repeat customers and they promote the company to friends and family.

C) Customers generally feel that when they raise queries in any department, assistance is not forthcoming. Possible reasons for this could be because of employee absenteeism and staff members are frequently busy with less time that is available to assist customers with their queries. Employees do not have the necessary skills and competence to assist customers with their queries. It is clear that if the company addresses the absenteeism issue, more time will be available to assist customers with queries. However, staff members should be trained and equipped with the necessary skills and competence to assist customers with queries. When making contact or being approached by a customer, employees should respond in a warm and friendly manner and assistance should be offered to the customer. Employees should also ensure that their undivided attention is given to customers. Delays should be explained to the customer and apologies offered wherever required. Whilst dealing with customers, employees should not engage in conversations with each other unless there is something being queried. Customers should at all times be attended to in an efficient and friendly manner. Employees should not receive or make phone calls on the shop floor. First impressions have a lasting impact on customers. It is not conducive to leave lasting impressions of Pick n Pay employees chewing gum whilst they are attend to customers on the shop floor. Employees should not forget to thank customers after serving them.

D) Customers find that butchery staff is not willing to ensure that customers meet their requirements. The main reason given to customers is that no meat slicer is available.

Possible reasons could be that staff is lazy and are not prepared to go the extra mile for customers and also that no management members are available to assist customers. There is also the possibility that the staff member lacks the skill and competence to ensure customer satisfaction. The store should, therefore, embark on a training programme, which provides staff with the necessary skills to meet customer expectations.

E) Staff is often found to have limited knowledge of products and prices and they may also be unaware of the ingredient composition of products on sale. The lowest end jobs within the retail industry are perceived to be low skilled. This could not be further from the truth. Knowledgeable staff often enhances customers' overall shopping experience. Furthermore, there is a lack of management at hand to instil confidence in employees who deal with customers. It is highly recommended that staff is trained on pricing and have detailed knowledge of products on sale. Furthermore, facilitators from manufacturing companies should be invited to lectures on the values and uses of their products to employees. The company should ensure that all price checking points around the store are serviced regularly and are in working condition to enhance the response time of price checks.

F) The general feeling amongst customers is that staff usually chats to each other and, as a result, customers are completely ignored. This is a result of no management visibility on the floor, which results in staff standing around talking to each other. Staff members are often not aware of the role that they play within the company and in delivering customer services. Training staff and equipping them with customer service knowledge should make them aware of the importance of their role in delivering customer service.

Furthermore, training will assist in uplifting service standards of the organisation and create a pleasant working environment for employees and customers. Customers feel that the store is constantly out of stock regarding certain grocery items and advertised lines. Reasons for this could result in the following occurrences:

- Poor management ordering techniques;
- Suppliers are unable to meet the stores' stock requirements;
- Suppliers are out of stock;
- Employees not merchandising stocks; and
- Lack of management supervision.

G) The results of the above situation can be detrimental to the company because it can result in a loss of turnover, productivity and customers which could result in bankruptcy. A possible reason for this could be that management has ill-equipped knowledge to operate a supermarket. Therefore, it is recommended that trainee managers are thoroughly trained under a seasoned assistant manager before he / she is allowed to place orders and supervise employees. This will enhance management control on the shop floor and improve the supply of stock at the supermarket.

H) Another problem encountered by customers is that they stand in queues so that they can be served in service areas and at the checkout tills. This could be a cause of absenteeism amongst employees, which results in long queues. Management may not realise that they are the custodians of discipline and do not address absenteeism. Management should be trained on industrial relations requirements and be made aware of the recognition agreements between the

company and corresponding union. This should empower management and make them aware of their rights and enable them to ensure control over their employees. Management should also be trained on staff scheduling, which would ensure that employees are productive.

5.2.1.2 Salient Points

Based on the empirical findings of the mystery shoppers, it is recommended that customer satisfaction should be a goal of the organisation and its stakeholders and not merely a theory in order to achieve ongoing success, growth, job security and job creation. The way in which customers are dealt with and served will determine whether they will regularly return. Customer satisfaction encompasses various dimensions and employees should be aware of and adhere to their requirements.

Although there are various factors that require improvement, the mystery shoppers' findings indicate two conspicuous points, which include management and employees. Their seems to be laissez-faire attitude adopted by management in this supermarket. A lack of management visibility on the shop floor and service departments has given rise to all of the above mentioned situations. Management visibility would improve employee-customer relationships and services and, thereby, improve service levels, productivity and profitability. Management are often unaware of the role that they play within the company and in delivering customer service. Therefore, they should create a pleasant working environment for employees. In order to ensure compliance of some of the key aspects of service quality, management visibility on the shop floor, should be constant. They should demonstrate genuine commitment to the organisation and customers so that staff will be more likely to strive for the same focus. They should realise that employee satisfaction drives loyalty, which, in turn, drives productivity and profitability.

Management should ensure that employees understand the organisation's goals and objectives and that they understand the link between what they do and long term results. Employees should be empowered to find customer solutions.

Employees who feel that they have real powers to address problems with the necessary tools are likely to make customer focus an integral part of their routine. Management should establish a customer focused reward programme by publicising employees' customer-focussed actions and bonuses and by linking other incentives to measure customer satisfaction. Management should open communication channels between all stakeholders, and they can only address customers' needs and wants if they are aware of them. It is imperative that management undergo intensive training before they are placed in charge of a service area department. This would ensure that the employees provide customers with desired services and stricter management controls. Management should focus on discovering new ways to attract and increase their customer base for improved productivity and profits.

Employees should handle customer complaints efficiently and effectively. They can enhance customer satisfaction if the organisation has full staff compliments and staff are trained to compliment their services and products that are on sale. Furthermore, customers could be advised by employees on different forms of application and uses of stores' products in order to promote customer satisfaction of employee services.

Absenteeism should be addressed because these consequences impact hugely on the organization. Employee absenteeism from work shows deeply rooted organizational problems, which may be a symptom of organizational ill-health. Furthermore, it is a costly burden for organisations. Employee training and development programs should be established earnestly.

Presently, there is renewed attention that is devoted by companies to ascertain what customer perceptions entail concerning services that are rendered to them by their employees, thereby, enabling the organisation to have a competitive advantage over its competitors. Within a South African context, empirical research in retail environments (supermarkets), has been limited to few studies.

5.3 CUSTOMER DISSATISFACTION: SURVEYS

Empirical findings of the survey conducted at the Pick n Pay's Waterfront supermarket indicate that there exists a significant difference in customers' perceptions in respect of full time and variable Time employees. This is an indication that customers are more satisfied with FTEs than with VTEs.

One of the problem areas, as indicated in Table 2.1 (refer to p.46) is VTE absenteeism. Pick n Pay Waterfront supermarket has one of the highest VTE absenteeism percentages in the company. As previously stated by Jones (refer to p.42), absenteeism poses a major cost and service factor for organisations, resulting in poor customer service, lower productivity levels and loss of productivity. "Entitlement Mentality", as mentioned by Boyd (refer to p.45), is also a major cause of absenteeism.

Since the introduction of the Sectoral Determination Act (9), (SD9) made under the Basic Conditions of Employment Act No. 75 of 1997 (SD9) agreement, VTEs are entitled to certain benefits. Prior to the SD 9 agreement, casuals, as they were then known, were not entitled to any benefits and were paid according to the number of hours that they worked. The SD9 Act awarded benefits to VTE employees and this changed their approach towards their work.

There has been deterioration in employee service quality. A possible reason for this could be absenteeism amongst employees who pressurise them to perform under trying circumstances. Employees who are not placed in jobs relative to their skills, result in employees becoming easily bored. Job enrichment should be considered for these employees to alleviate boredom and to improve service quality. The lack of employee product knowledge results in lower classification of customer service levels of the company. According to Table 2.1(refer to p.46), there is an increased absenteeism rate amongst VTE, at Pick n Pay's Waterfront supermarket. The slow management response to curb absenteeism amongst employees has resulted in an increase in this phenomenon. This increased absenteeism has contributed to longer working hours and an increased workload for non absent employees.

These factors have contributed to customer dissatisfaction with employees' services at Pick n Pay Waterfront. Furthermore, based on the empirical findings in Chapter 4, and the analysis thereof, it can be concluded that there exists a significant difference in the perceptions of customers in respect of full time employees and variable time employees for all four tests conducted (in all four tests the **H₀** is rejected at any level of significance).

5.4 CONCLUSION

It can be stated that customer perceptions regarding employee services have become key to economic survival by service industry companies within South Africa. There should be an urgent need by management to address and improve services and thereby increase productivity and profitability and remain competitive within the business environment. However, in this study, it was mentioned that there is empirical evidence that suggests that there is a difference in service quality that is rendered by the two groups of employees, and it was found that various factors influence customer perceptions about employee services.

Negative customer perceptions about any company may lead to serious implications, resulting in a decrease in turnover, customers and employee retrenchments. The empirical findings of the case study revealed the following:

- Major noise levels from bakery staff;
- An unwillingness of bakery staff to assist with advice on specialised products;
- Staff are not willing / are unable to assist with general customer queries;
- Butchery staff not willing to assist customers;
- Staff members have a lack of knowledge in product ingredient composition, product range and product pricing;
- Constant out-of-stock situation of grocery products;
- Customers standing in queues at checkout tills and service areas; and
- A significant difference in customer perceptions of customers in respect of full time employees and variable time employees.

This study has indicated that management must manage their employees and to take control and to manage the situation and abandon a laissez-faire attitude by assisting the organisation to achieve world class service standards. In this sense, it is hoped that this investigation will serve as an invaluable contribution towards an improved understanding of customer perceptions of employee services that are rendered at Pick n Pay's Waterfront supermarket.

CHAPTER SIX

OVERVIEW OF THE STUDY

6.1 INTRODUCTION

This study has examined customer perceptions of services that are rendered by Pick n Pay's Waterfront supermarket employees. The main purpose of the study was to answer the following research questions:

- What are customer perceptions of the service quality that are rendered by employees of Pick n Pay Waterfront?
- How to establish the role of customer services in this process and how to create a need for a learning culture within the organisation?

It is on the basis of this discussion that recommendations are made to Pick n Pay Waterfront management in order to address customer perceptions regarding services that are rendered by their employees.

6.2 OVERVIEW OF THE INVESTIGATION

A comprehensive literature review was conducted to explore the causes and extent of customer perceptions of services. An empirical investigation was carried out by means of a quantitative research methodology. A questionnaire was used to gather primary data from 116 customers over different days and times. Furthermore, three mystery shoppers were used to gather information about services that are provided by the Pick n Pay Waterfront employees.

The quantitative investigation revealed significant information about customer perceptions and different types of employees who work at the supermarket. The chi-squared test was used to test for independence. Results revealed that customers rated FTEs and VTEs differently in respect of service satisfaction. The empirical investigations were compared with relevant findings from the literature study, while empirical findings revealed the following:

- Major noise levels from bakery staff;
- An unwillingness of bakery staff to assist with advice on specialised products;
- Staff are not willing / are unable to assist with general customer queries;
- Butchery staff not willing to assist customers;
- Staff members have a lack of knowledge in product ingredient composition, product range and product pricing;
- Constant out-of-stock situation of grocery products;
- Customers standing in queues at checkout tills and service areas; and
- A significant difference in customer perceptions of customers in respect of full time employees and variable time employees.

Based on the present investigation, the study was concluded by a range of recommendations to the Pick n Pay's Waterfront supermarket management, in order to empower them to address the phenomenon of customer perceptions. Recommendations of this study to management at the store are as follows:

- Bakery staff should be issued with production sheets, which outline dedicated tasks and activities and stricter management controls;
- Bakery management and senior staff should assist with customer queries;

- Staff members should receive training on various uses of different products and customer sensitivity training;
- There should be more management visibility on the shop floor;
- Staff should be empowered to handle customer queries;
- Management must address staff absenteeism; and
- Management must ensure that employees understand the organisations goals and objectives.

The aim of this study was to maintain and increase satisfied customers and employees and thereby establish a productive and profitable supermarket in the Pick n Pay group.

6.3 RECOMMENDATIONS FOR FUTURE RESEARCH

Although this study has achieved its intended objectives, it has opened the following avenues for future research:

- A comparative study of customer perceptions of employee services of different socio-economic areas within the Pick n Pay group; and
- A study of the outcome of switching working hours between the two groups, namely VTEs and FTEs within the Pick n Pay group.

6.4 LIMITATIONS OF THE STUDY

The study was conducted in a particular socio-economic group and in a certain geographical area. To a certain degree, this may limit the generalisability of the research. A 7 point Likert scale was used for this study and it was found that some customers were not prepared to commit themselves and chose neutral number 4 in the questionnaire.

It is advisable to develop a new scale that would force the customer to choose between good/bad service.

6.5 CONCLUSION

It can be stated that customer perceptions regarding employee services has become a key to economic survival amongst service industry companies in South Africa. There should be an urgent need by management to address and improve services and thereby increase productivity and profitability and remain competitive within the business environment.

However, in this study, it was mentioned that there is empirical evidence that suggests a difference in service quality being rendered by the two groups of employees. It was found that various factors influence customer perceptions regarding employee services. Negative customer perceptions about any company may lead to serious implications, which result in a loss of turnover, a decrease in customers and employee retrenchments. There are indications in the case study that management is losing control of their right to manage their employees and there is a definite need for them to manage the situation, thereby abandoning their laissez-faire attitude and assist the organisation in achieving world class service standards. In this sense, it is hoped that this investigation may serve as an invaluable contribution towards an improved understanding of customer perceptions regarding employee services that are rendered at Pick n Pay's Waterfront supermarket.

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APPENDICES

APPENDIX 1

PICK 'N PAY WATERFRONT SUPERMARKET RESEARCH CUSTOMER QUESTIONNAIRE

The purpose of this survey is for academic purposes and all respondents will remain anonymous. The seven point rating scale (1= strongly disagree; 7= strongly agree). Please circle / tick the appropriate box.

Perception Statement in Reliability.

Strongly
Disagree

Strongly
Agree

1) When Pick 'n Pay promises to do something by a certain time it does so.

1	2	3	4	5	6	7
---	---	---	---	---	---	---

2) When you have a problem Pick 'n Pay shows an interest in solving it.

1	2	3	4	5	6	7
---	---	---	---	---	---	---

3) Pick 'n Pay employees perform the service right the first time

1	2	3	4	5	6	7
---	---	---	---	---	---	---

4) Pick 'n Pay provides services at the times it promises to do so.

1	2	3	4	5	6	7
---	---	---	---	---	---	---

5) Pick 'n Pay keeps customers informed (e.g. advertising) about when services will be performed.

1	2	3	4	5	6	7
---	---	---	---	---	---	---

Statement in Responsiveness Dimension

Strongly Disagree **Strongly Agree**

- 6) Employees at Pick 'n Pay give you prompt service. 1 2 3 4 5 6 7
- 7) Employees at Pick 'n Pay are always willing to help you. 1 2 3 4 5 6 7
- 8) Employees at Pick 'n Pay are never too busy to respond to your request. 1 2 3 4 5 6 7

Statement in Assurance Dimension

Strongly Disagree **Strongly Agree**

- 9) The behaviour of Pick 'n Pay employees instills confidence in you. 1 2 3 4 5 6 7
- 10) You feel safe in your transactions with Pick 'n Pay. 1 2 3 4 5 6 7
- 11) Employees are consistently courteous with you. 1 2 3 4 5 6 7
- 12) Employees at Pick 'n Pay have the knowledge to answer your questions. 1 2 3 4 5 6 7

Statement in Empathy Dimension

- | | Strongly
Disagree | | Strongly
Agree |
|--|------------------------------|---|---------------------------|
| 13) Pick 'n Pay employees give you individual attention. | 1 2 3 | 4 | 5 6 7 |
| 14) Pick 'n Pay has your best interests at heart. | 1 2 3 | 4 | 5 6 7 |
| 15) Pick 'n Pay employees understand your specific needs. | 1 2 3 | 4 | 5 6 7 |
| 16) Pick 'n Pay has employees who give you individual attention. | 1 2 3 | 4 | 5 6 7 |

Statement in Tangibles Dimension

- | | Strongly
Disagree | | Strongly
Agree |
|---|------------------------------|---|---------------------------|
| 17) Pick 'n Pay have modern looking equipment. | 1 2 3 | 4 | 5 6 7 |
| 18) Pick 'n Pay's physical facilities are visually appealing. | 1 2 3 | 4 | 5 6 7 |
| 19) Pick 'n Pay employees appear neat. | 1 2 3 | 4 | 5 6 7 |
| 20) Pick 'n Pay advertising material is visually appealing. | 1 2 3 | 4 | 5 6 7 |
| 21) Pick 'n Pay has convenient business hours. | 1 2 3 | 4 | 5 6 7 |

Please circle / tick the appropriate box.

- **Sex of respondent** : M F

- **Age** : Under – 20
: 21 – 40
: 41 – 60
: Over – 60

- **Income** : Under – 5000
: 5001 – 7500
: 7501 – 10000
: Over – 10000

- **Residential status** : Resident in Cape Town
: Visitor from within South Africa
: Visitor from overseas

- **Frequency of visits to** : Once per week
Pick`n Pay supermarket: Once per fortnight
: Once in three weeks
: Once per year
: Other (everyday)

Questionnaire Servqual Results

APPENDIX 2

FTE Wednesday customer questionnaire survey (10 h 00 – 15 h 00) results

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Male Wednesday	5	5	4	5	5	4	5	4	5	5	4	3	4	5	4	4	5	5	5	5	6
FTE	0	6	4	5	6	6	4	5	1	4	4	5	5	5	3	5	5	2	6	6	6
	0	6	4	6	7	7	6	4	1	7	5	6	5	7	6	6	4	4	7	5	7
	6	6	6	6	5	6	6	5	6	7	6	6	6	6	6	5	4	4	5	5	7
	4	7	7	5	7	7	7	7	5	7	5	7	7	5	6	5	5	5	6	5	4
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	3	6	5	5	6	6	5	5	4	6	5	5	5	5	5	5	5	4	6	5	6
	2.6	1.0	1.3	0.8	1.2	1.4	1.2	1.2	2.2	1.5	0.8	1.5	1.2	1.0	1.3	0.8	0.5	1.1	1.0	0.6	1.4
Female Wednesday	3	5	4	5	6	4	4	4	4	7	4	4	4	5	5	4	6	6	4	6	7
FTE	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	4	4	5	4	6	7	5	5	4	6	4	5	5	4	4	5	5	6	7	7	7
	7	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
	5	6	5	6	4	4	7	6	6	7	5	7	7	7	6	7	7	7	7	6	7
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	5	4	4	5	5	4	4	5	4	4	4	3	4	3	4	3	4	4	5	4	6
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	4	5	5	5	5	5	5	5	5	5	4	5	5	5	5	5	5	5	5	5	6
	1.1	0.9	1.0	1.1	1.2	1.3	1.3	1.1	1.1	1.5	1.0	1.4	1.3	1.4	1.1	1.4	1.3	1.4	1.5	1.4	1.5
	4	5	5	5	5	5	5	5	4	5	5	5	5	5	5	5	5	5	5	5	6

VTE Wednesday customer questionnaire survey (16 h 00 – 22 h 00) results

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
Male Wednesday	5	3	3	3	4	5	5	5	6	6	5	4	2	5	5	4	4	4	4	4	5	
VTE	4	4	4	4	4	3	3	3	3	4	4	3	3	4	3	4	4	4	4	4	3	3
	4	4	4	4	4	3	3	3	4	4	3	3	3	4	3	4	4	4	4	4	6	0
	4	4	5	4	7	4	6	3	4	6	5	1	5	1	1	1	3	4	5	6	7	
	3	3	1	3	5	3	2	3	1	4	4	6	1	3	4	1	3	4	4	3	7	
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
	5	4	4	5	5	4	3	4	4	6	4	4	4	5	4	4	6	6	5	5	5	
	4	4	4	4	5	4	4	4	4	5	4	4	3	4	4	3	4	4	4	5	5	
	0.7	0.6	1.3	0.8	1.0	0.8	1.4	0.9	1.5	1.0	0.7	1.5	1.4	1.4	1.3	1.5	1.0	0.7	0.5	1.2	2.3	
Female Wednesday	4	4	3	4	3	3	4	3	3	4	3	3	4	4	3	4	4	3	4	3	3	
VTE	1	1	4	3	7	1	6	2	4	7	1	4	1	3	4	1	7	2	2	7	7	
	4	5	6	5	4	1	4	3	1	4	4	3	3	3	3	4	5	5	5	4	7	
	4	1	1	3	5	1	1	1	1	4	1	3	3	2	2	4	4	3	4	4	5	
	7	1	5	6	6	7	7	1	1	3	1	2	1	7	5	1	7	7	7	4	7	
	4	2	2	4	7	4	3	3	3	4	4	3	3	3	3	3	3	3	4	6	5	
	4	2	2	4	7	4	3	4	4	4	4	4	4	4	4	4	4	3	4	4	5	
	4	4	4	3	7	3	4	3	4	6	4	5	1	5	3	6	7	6	4	7	6	
	4	3	5	6	6	3	4	2	3	5	5	6	4	3	2	2	5	5	4	6	7	
	5	7	1	1	3	4	6	1	6	7	3	6	1	7	7	7	1	2	7	1	7	
	4	3	3	4	4	3	2	2	1	6	1	1	4	2	2	3	4	3	2	5	7	
	5	3	3	4	6	4	4	2	3	5	3	4	3	4	4	4	4	4	5	5	6	
	1.1	2.0	1.6	1.7	1.6	1.4	1.8	1.1	1.8	1.4	1.6	2.0	1.5	2.0	1.8	2.1	2.1	1.9	1.8	2.0	1.0	

FTE Thursday customer questionnaire survey (10 h 00 – 15 h 00) results

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Male Thursday	5	4	4	3	3	5	5	4	6	7	5	5	3	6	6	4	6	5	6	7	7
FTE	4	4	4	5	5	4	4	5	4	6	4	6	4	4	5	4	6	6	7	6	7
	5	5	5	5	6	5	5	5	5	5	5	4	4	5	5	5	5	4	4	5	6
	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	4	6	6	6	0	5	7	5	0	0	7	0	0	0	0	0	6	0	0	0	0
	5	5	5	5	5	5	6	5	5	5	6	5	4	5	5	4	6	5	5	5	6
	1.2	1.2	1.2	1.4	2.6	1.0	1.2	1.0	2.5	2.6	1.2	2.5	2.4	2.5	2.5	2.4	0.6	2.5	2.7	2.6	2.7
Female Thursday	4	4	4	4	4	3	3	3	4	4	3	4	4	4	3	4	4	4	3	4	4
FTE	6	7	7	6	7	7	7	7	6	7	7	5	6	7	6	7	6	6	7	6	7
	4	4	5	5	5	5	6	4	4	5	3	4	5	5	5	4	4	4	4	5	5
	4	4	5	5	6	6	7	6	5	6	6	6	4	5	4	6	5	5	6	5	6
	6	6	3	4	4	4	5	4	4	3	5	3	7	5	5	7	3	3	4	5	7
	7	7	4	7	7	4	7	7	6	7	6	7	7	7	7	7	6	7	7	7	7
	6	6	0	5	7	4	4	4	1	7	4	4	0	7	3	7	7	7	7	7	7
	7	7	7	5	6	6	6	7	7	7	5	6	7	7	7	7	7	7	7	7	7
	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	4	4	5	6	7
	5	7	5	6	7	6	4	4	6	7	5	6	6	7	6	7	6	7	6	7	7
	6	6	5	5	6	5	6	5	5	6	5	5	5	6	5	6	5	5	6	6	6
	1.3	1.4	2.2	1.1	1.2	1.4	1.5	1.6	1.8	1.5	1.4	1.4	2.2	1.2	1.6	1.3	1.4	1.6	1.5	1.1	1.1
	5	6	5	5	5	5	6	5	5	6	5	5	5	5	5	5	6	5	5	6	6

VTE Thursday customer questionnaire survey (16 h 00 – 22 h 00) results

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Male Thursday	4	5	3	3	4	3	4	2	4	5	4	2	3	3	3	4	4	4	4	5	6
VTE	5	0	3	5	6	4	4	1	4	3	5	3	5	0	4	0	6	7	6	5	7
	4	4	3	4	6	4	3	4	5	6	4	4	4	3	4	5	4	5	7	7	7
	4	6	3	4	5	3	3	3	4	4	3	3	3	4	3	4	5	6	6	6	6
	4	4	1	4	7	1	1	1	1	7	1	4	1	4	4	1	4	4	6	5	7
	5	5	4	6	6	2	3	4	2	3	2	3	4	5	4	3	3	3	2	5	6
	5	4	3	4	2	2	1	2	3	5	2	1	4	4	2	1	1	7	4	7	7
	4	4	3	4	5	3	3	2	3	5	3	3	3	3	3	3	4	5	5	6	7
	0.5	1.9	0.9	1.0	1.7	1.1	1.3	1.3	1.4	1.5	1.4	1.1	1.3	1.6	0.8	1.9	1.6	1.6	1.7	1.0	0.5
Female Thursday	3	3	3	3	3	3	3	3	3	4	3	3	3	3	3	3	3	4	4	4	4
VTE	3	2	5	7	5	5	5	4	3	6	5	5	5	4	4	6	6	6	5	5	7
	6	6	4	3	7	5	5	5	4	6	2	5	4	4	4	7	7	5	6	6	7
	4	4	4	4	4	4	4	4	4	4	4	4	3	3	4	4	4	4	4	4	4
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	4	4	4	5	4	4	4	5	5	5	5	5	4	4	4	4	4	4	4	4	4
	4	4	4	4	4	4	4	4	4	4	4	3	4	4	3	4	5	5	5	5	5
	2	2	2	2	2	2	2	2	2	3	2	2	2	2	2	2	3	3	3	3	3
	4	4	4	4	4	5	4	2	4	7	4	4	4	4	4	7	4	5	4	4	7
	0	5	3	5	5	1	2	3	2	5	5	5	3	5	2	2	6	6	6	7	7
	7	4	1	7	7	4	4	1	3	7	4	3	4	4	4	4	4	4	1	7	7
	4	4	4	4	4	4	4	3	4	5	4	4	4	4	4	4	5	5	4	5	5
	1.8	1.1	1.1	1.5	1.4	1.2	1.0	1.2	0.9	1.3	1.0	1.0	0.8	0.8	0.8	1.7	1.2	0.9	1.3	1.3	1.6

FTE Friday customer questionnaire survey (10 h 00 – 15 h 00) results

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Male Friday	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
FTE	4	4	3	4	4	3	3	3	3	4	3	3	3	4	4	4	4	4	4	4	4
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
	6	4	7	6	7	6	6	3	6	7	4	6	6	7	6	6	4	4	4	4	4
	4	5	4	4	6	4	4	4	3	2	0	0	4	4	3	5	6	6	4	5	7
	4	4	4	4	5	4	4	4	4	3	4	4	4	5	4	5	4	4	4	4	5
	0.8	0.4	1.4	0.8	1.3	1.0	1.0	0.5	1.1	1.6	1.6	2.0	1.0	1.2	1.0	0.8	0.8	0.8	0.0	0.4	1.2
Female Friday	5	5	4	4	5	4	4	4	5	5	5	5	4	4	4	5	5	5	5	5	6
FTE	6	7	5	0	4	6	6	5	4	7	5	5	4	4	5	0	0	0	0	0	0
	5	6	6	5	6	4	4	5	5	7	7	5	4	4	4	3	5	4	6	5	7
	5	6	6	5	7	7	5	4	6	7	5	6	7	7	7	5	7	5	3	5	7
	5	6	5	6	5	5	5	5	5	5	5	5	5	5	5	5	7	0	4	5	7
	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
	4	5	4	5	5	5	5	5	4	4	4	4	4	4	4	4	4	4	4	4	4
	5	5	6	6	7	5	7	7	6	6	6	5	5	6	5	5	4	4	5	5	7
	6	6	5	5	5	4	5	5	4	7	5	4	4	7	5	7	5	4	6	6	7
	6	7	7	6	7	6	6	7	6	7	6	6	5	6	7	7	6	7	6	7	7
	5	6	6	5	6	5	5	5	5	6	6	5	5	5	5	5	5	4	5	5	6
	0.8	0.8	1.1	1.9	1.1	1.2	1.1	1.2	1.0	1.1	1.0	0.9	1.2	1.3	1.3	2.1	2.1	2.4	2.0	2.0	2.3
	5	5	5	5	5	5	5	5	5	5	4	4	5	5	5	5	5	4	4	5	5

VTE Friday customer questionnaire survey (16 h 00 – 22 h 00) results

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Male Friday	4	4	3	4	4	2	2	2	4	5	4	4	4	3	3	2	4	4	3	5	7
VTE	5	4	4	5	4	3	3	3	4	4	4	4	3	4	4	3	3	4	3	4	5
	2	2	2	2	2	2	2	2	2	3	2	2	2	2	2	2	3	3	3	3	3
	3	3	3	3	3	3	3	3	3	4	3	3	3	3	3	3	3	4	4	4	4
	4	4	1	4	7	1	1	1	1	7	1	4	1	4	4	1	4	4	6	5	7
	4	1	1	3	5	1	1	1	1	4	1	3	4	4	3	4	5	5	5	5	5
	1	1	4	3	7	1	6	2	4	7	5	5	4	4	4	4	4	4	4	4	4
	3	3	3	3	5	2	3	2	3	5	3	4	3	3	3	3	4	4	4	4	5
	1.4	1.4	1.3	1.0	1.9	0.9	1.7	0.8	1.4	1.6	1.6	1.0	1.2	0.8	0.8	1.1	0.8	0.6	1.2	0.8	1.5
Female Friday	3	4	4	6	6	5	4	2	3	5	5	4	0	0	3	6	5	5	6	6	6
VTE	4	4	6	4	5	4	4	4	3	4	3	4	3	3	3	3	4	4	4	4	6
	4	3	4	5	7	2	3	4	5	0	5	5	4	4	4	4	7	6	6	6	7
	5	4	6	5	6	3	4	3	3	6	4	3	3	4	5	3	6	5	6	5	7
	4	5	1	2	3	2	5	2	3	1	3	3	3	4	2	4	3	1	2	2	7
	4	4	3	4	6	3	1	2	3	4	3	3	3	4	3	3	6	6	6	6	7
	4	2	1	4	6	1	1	1	1	2	1	1	1	3	2	4	5	6	4	6	7
	2	3	2	3	3	3	4	3	1	3	3	2	4	4	4	4	4	4	6	4	6
	4	5	1	7	7	4	3	3	1	3	3	1	3	3	3	7	7	7	7	7	7
	4	3	3	4	4	4	3	3	3	5	4	4	4	4	4	4	4	5	5	5	5
	2	2	3	4	7	1	7	4	3	6	3	4	2	3	2	3	6	4	4	7	7
	6	7	6	5	7	6	6	6	6	6	6	7	7	7	6	6	6	5	7	7	7
	4	4	3	4	6	3	4	3	3	4	4	3	3	4	3	4	5	5	5	5	7
	1.1	1.4	1.9	1.3	1.5	1.5	1.8	1.3	1.5	2.0	1.3	1.7	1.7	1.6	1.2	1.4	1.3	1.5	1.5	1.5	0.7

WATERFRONT MYSTERY SHOPPER SURVEY QUESTIONNAIRE SUPERMARKET: PICK 'n PAY

APPENDIX 3

	Store Name	Date Shopped	Time Shopped	PHYSICAL ENVIROMENT Q1	Q2	Q3
				Are window displays were in line with the Waterfront mall's image?	Is there sufficient lighting in the store?	Is the store was clean and tidy?
PP1	Pick ' n Pay	01.11.2007	11h00	-	100.00%	66.6%
PP2	Pick ' n Pay	02.11.2007	11h20	-	66.60%	66.6%
PP3	Pick ' n Pay	05.11.2007	13h55	-	66.60%	33.3%
					77.70%	55.5%

	Q4	Q5	Q6	Q7	Q8	Q9
	Is the store's layout simple (it was easy to shop in the store)?	Is the décor appealing to me (merchandise was attractively displayed)?	Do you feel welcome in the store?	Do Assistance chat amongst themselves?	Do Assistance portayed the image I expect at the Waterfront?	Was an employee available to help me when I needed assistance?
PP1	100.0%	66.6%	33.3%	0.0%	100.0%	66.6%
PP2	66.6%	66.6%	66.6%	100.0%	66.6%	0.0%
PP3	66.6%	66.6%	66.6%	0.0%	66.6%	0.0%
	77.7%	66.6%	55.5%	33.3%	77.7%	22.2%

WATERFRONT MYSTERY SHOPPER SURVEY SUPERMARKET: PICK 'n PAY

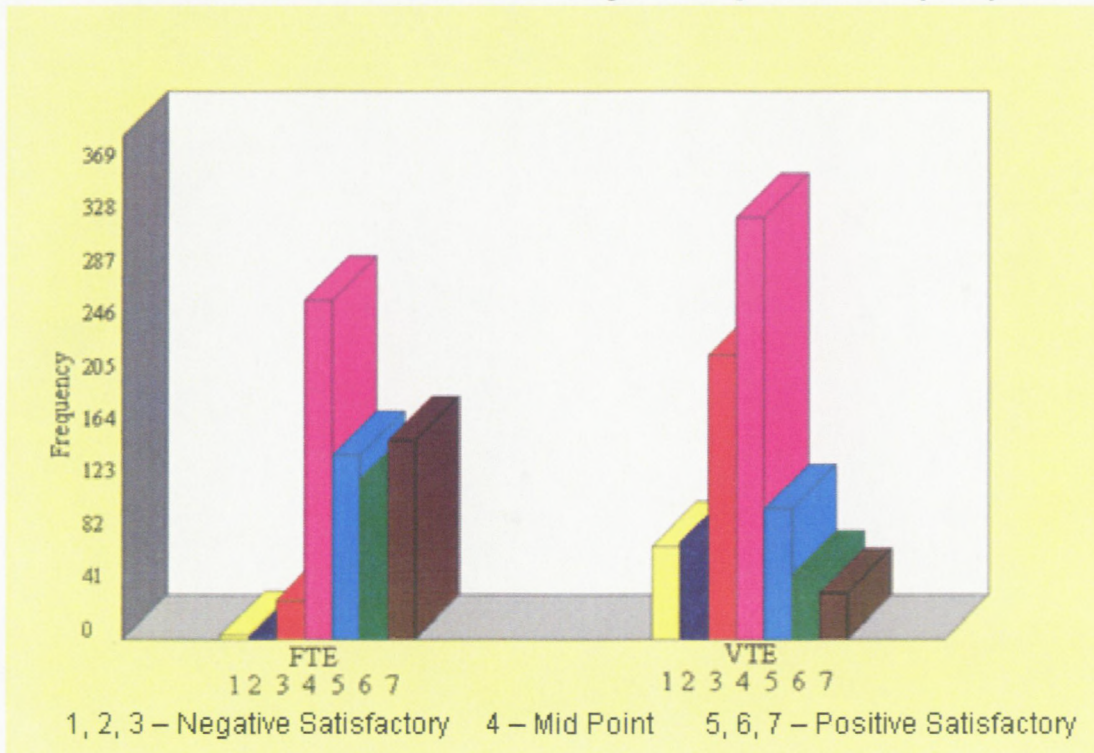
	Q10	Q11	Q12	Q13	Q14	Q15
	Are assistants was friendly and enthusiastic?	The assistant displayed a willing attitude towards my needs as a shopper.	Were assistants able to assist me with my queries(good product knowledge/on service on offering)?	Did the manner in which the assistant interacted with me made me feel confident in the store?	Did the assistant refer me to another store in the Waterfront complex if the product / service was not available?	Did I wait an unacceptable period of time in the queue?
PP1	100.0%	100.0%	100.0%	66.7%	50.0%	66.7%
PP2	66.6%	100.0%	100.0%	66.7%	50.0%	50.0%
PP3	33.3%	33.3%	66.6%	50.0%	50.0%	50.0%
	66.6%	77.8%	88.9%	61.1%	50.0%	55.6%

	Q16	Q17	Q18	SUMMARY Q19*	Q20*	Q21*
	Was the till point was clean and tidy?	Was the assistant was friendly and enthusiastic?	Was my transaction was processed quickly and efficiently?	What was my overall impression of the store environment?	What is my overall rating of the service received in the store (the treatment I received encouraged me to return to shop at the store)?	What is my overall impression of the vibe and atmosphere in the store?
PP1	100.0%	100.0%	100.0%	66.7%	50.0%	66.7%
PP2	66.6%	100.0%	100.0%	66.7%	50.0%	50.0%
PP3	33.3%	33.3%	66.6%	50.0%	50.0%	50.0%
	66.6%	77.8%	88.9%	61.1%	50.0%	55.6%

SERVQUAL CUSTOMER SURVEY RESPONSES

APPENDIX 4

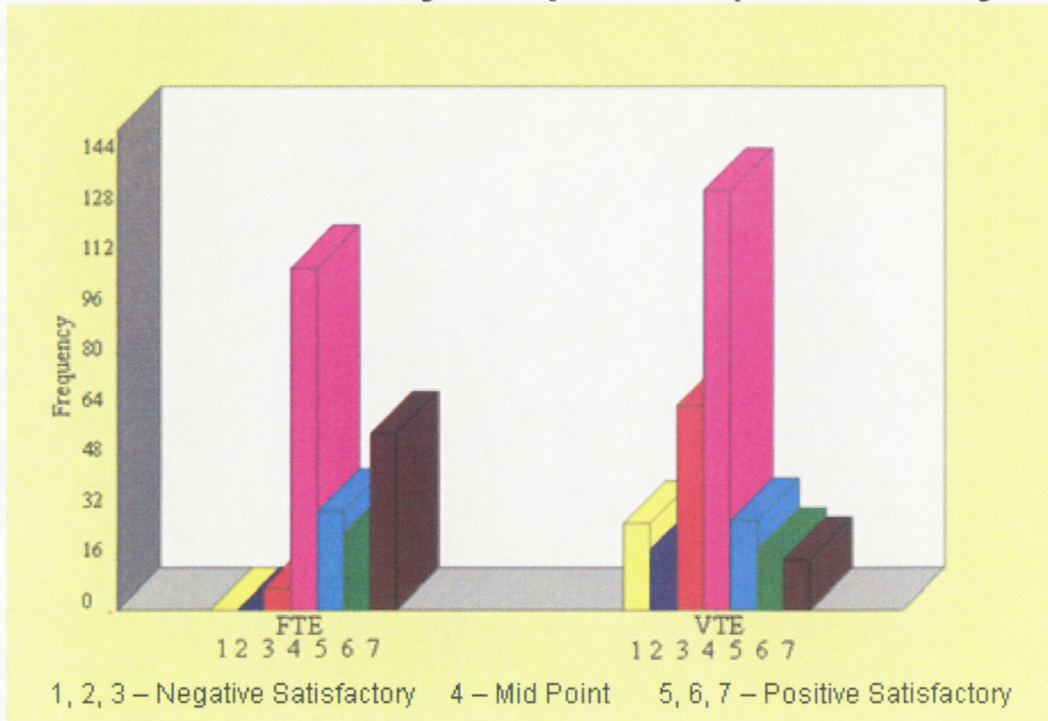
Total Customer Survey Responses (All)



Total Customer Survey Responses (All)

In the graphs representing FTEs and VTEs 4 represents the midpoint and to the left of this point negative satisfaction is reflected and to the right positive satisfaction. The graph suggests that the customers prefer the services rendered by the FTE than the VTE employees working at the Pick `n Pay Waterfront supermarket.

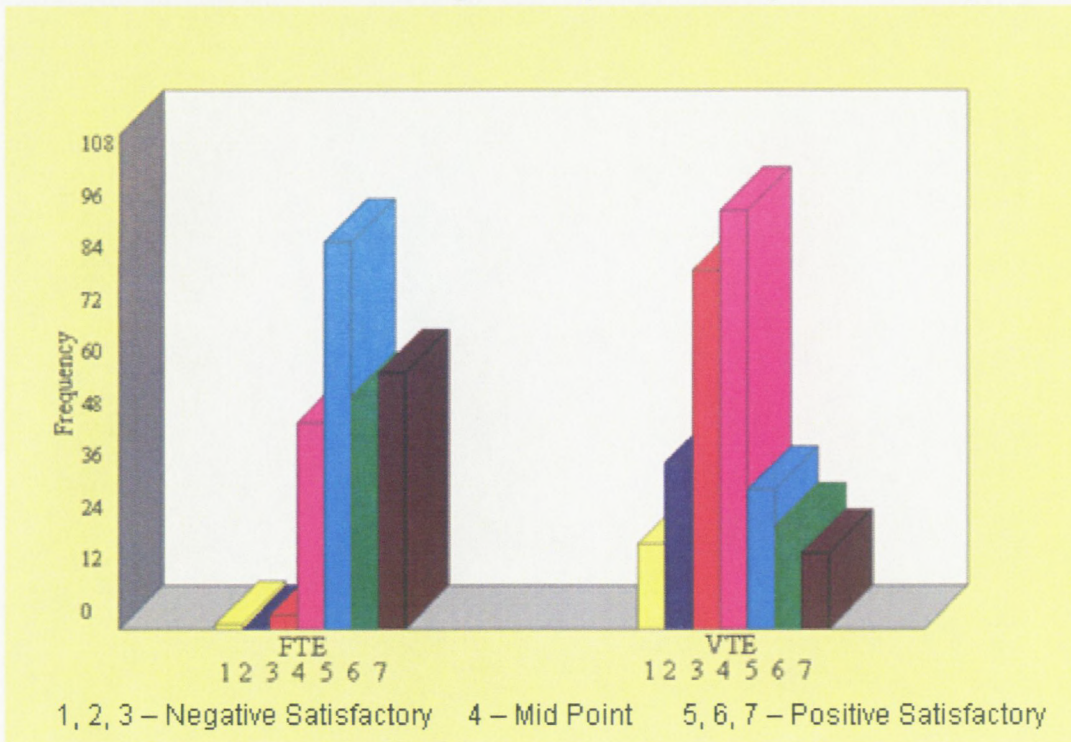
Customer Survey Responses (Wednesday)



Customer Survey Responses (Wednesday)

In the graphs representing FTEs and VTEs 4 represents the midpoint and to the left of this point negative satisfaction is reflected and to the right positive satisfaction.

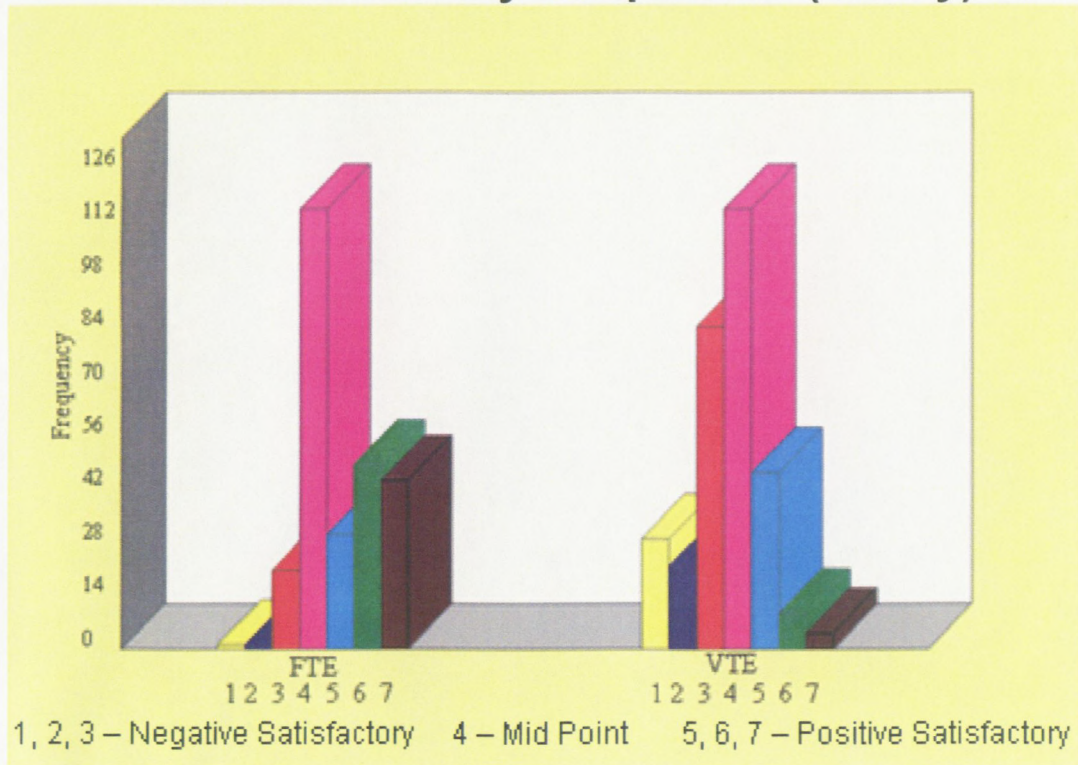
Customer Survey Responses (Thursday)



Customer Survey Responses (Thursday)

In the graphs representing FTEs and VTEs 4 represents the midpoint and to the left of this point negative satisfaction is reflected and to the right positive satisfaction.

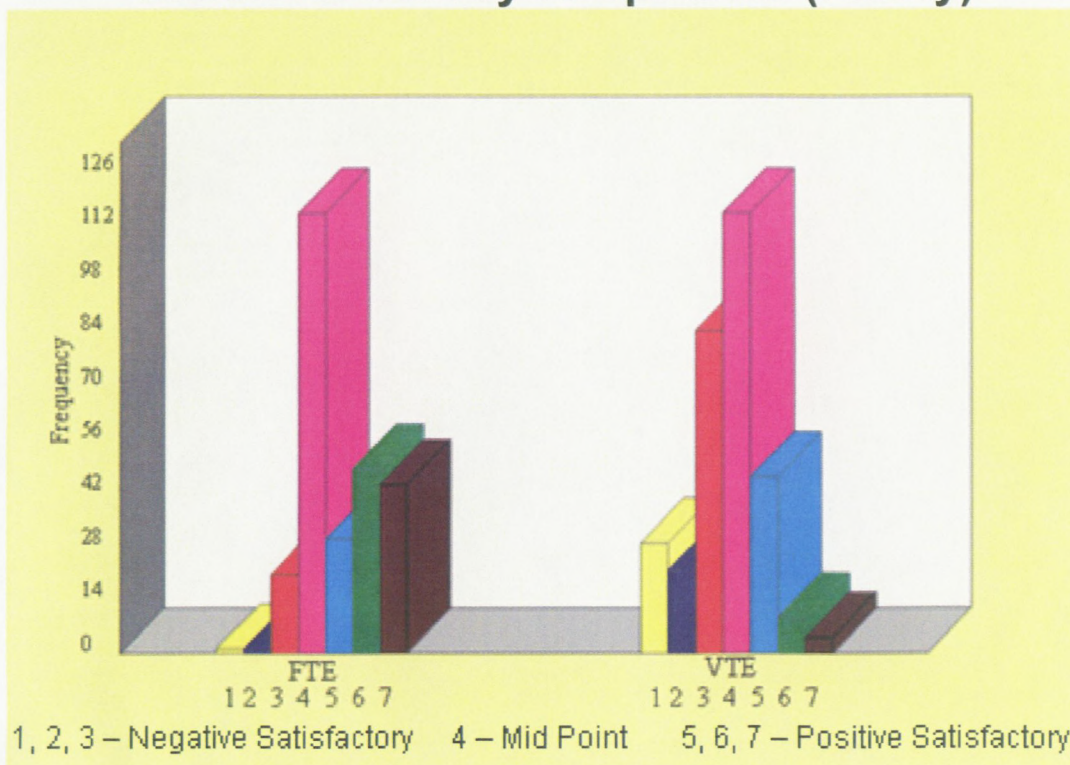
Customer Survey Responses (Friday)



Customer Survey Responses (Friday)

in the graphs representing FTE`s and VTE`s 4 represents the midpoint and to the left of this point negative satisfaction is reflected and to the right positive satisfaction.

Customer Survey Responses (Friday)



Customer Survey Responses (Friday)

in the graphs representing FTE `s and VTE `s 4 represents the midpoint and to the left of this point negative satisfaction is reflected and to the right positive satisfaction.

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