

*An exploratory investigation into the perceptions of consumers based on the quality
of customer service received with specific reference to Ola Milky Lane – Midlands
Liberty Mall*

A Dissertation

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By

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Declaration

Hereby I, Melissa Kisten, declare that this dissertation is my own original work and that all sources have been accurately reported and acknowledged, and that this document has not previously in its entire or in part been submitted at any university in order to obtain an academic qualification

Melissa Kisten

March 2008

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Abstract

Due to the growth of our economy and our rising standards of living, customers of today have a larger variety of products to choose from than in the past. This causes an increase in competition which has raised customer expectations on the quality of goods and services they receive (Palmer, 2001 p26). Along with this, the modern customer has become sophisticated, educated, confident and well informed. Hence, they have raised their expectations of the service they intend on receiving. This has placed enormous pressure on service organization's to improve the way they do business with these customers.

This "customer transformation" has placed an increasing emphasis on customer service as a means of gaining a competitive advantage. As a consequence of competition becoming global and more intense, many organizations have come to the realization that they cannot compete on price alone. Hence, the level of customer service has a direct impact on an organization's market share, as it determines not only whether consumers will become customers but also whether existing customers will become loyal ones.

If service quality is to become the cornerstone of an organisation's marketing strategy, marketers should have the means to measure it. Although research in this field exists, the researcher proposed the need for further research specifically in the area of customer perceptions toward the quality of service they receive. The issues addressed in this study will be of importance to both service managers and future researchers as a customer's evaluation of service quality and, the resulting level of satisfaction is thought to determine the likelihood of a repurchase and ultimately the success of the business.

This dissertation is based on the perceptions of customers of Ola Milky Lane and the level of quality customer service they receive. Looking at the business from the customer's viewpoint will help the researcher investigate how current customers feel about the organization as well as their attitude toward the business. The expectations of these customers together with their levels of satisfaction, which shape their perceptions of

the customer service, serve as the foundation on which service quality will be evaluated. Moreover, the research study hopes to assist the participating organisation establish whether gaps in service delivery exist, the reasons for their presence and identify possible solutions which can be implemented to close or prevent those gaps from further widening.

This will benefit the organization as it can be used as a tool to understand customer perceptions, which can equip them to gauge the effectiveness and efficiency of their relationship programmes. With this motivation in mind, the research study takes a strategic look at the importance of customer service as perceived by customers by means of determining whether the organisation is or is not meeting their expectations.

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CHAPTER 1

INTRODUCTION

1.1 THE PARTICIPATING ORGANISATION

The Milky Lane brand was launched in 1958 and has led the field in innovative ice cream eating experiences ever since. “Ola” acquired the Milky Lane brand and franchise network on 1 June 2003 and “Ola Milky Lane” was born. Ola Milky Lane takes South Africa’s leading retail ice cream brand into the future, transforming the traditional ice cream parlour into a fun, modern “time out” destination. The organisation’s continuous plan is to build a world of indulgent taste experiences in a branded lifestyle, priding itself in fast, friendly service and quality products.

1.2 MOTIVATION FOR THE STUDY

Today’s companies face the impact of competitive forces that make continued growth, differentiation and long-term business stability far more difficult than ever before. In addition, the explosion of consumer choice, floods of targeted market messages and an increasingly sophisticated and demanding customer, have united to dilute the traditional product and service advantages companies once enjoyed (Schiffman & Kanuk, 1994 p4).

Strong product innovators were once perceived as untouchable companies; today, a great product or service often provides only temporary protection from rising competition. The reality is that many products have been homogenized, making them difficult to distinguish by design, function or price. Consequently, many of today’s forward-looking companies across a number of industries are now looking to customer service as an important way to strengthen long-term, profitable customer relationships and to sustain a competitive advantage (Zineldin, 2004 p286).

Hence, as competition becomes more intense and environmental factors become more hostile, the concern for service quality grows. If service quality is to become the cornerstone of an organisation’s marketing strategy, marketers must have the means to measure it.

Although research in this field exists, there is still a need for research in the area of customer perceptions toward the quality of service they receive.

This dissertation is based on the perceptions of customers and the level of quality customer service they receive. The study takes an in-depth look at services marketing, as the research was conducted at a goods and service business. Customer care, including the theoretical methods of implementation, benefits and possible problems that could arise in varying situations, is also examined.

Looking at the business from the customer's viewpoint will help the researcher investigate how current customers feel about the organization and the service they receive. The expectations of these customers, together with their levels of satisfaction, which shape their perceptions and serve as the foundation on which service quality will be evaluated. Moreover, the research study hopes to assist the participating organisation establish whether gaps in service delivery exist, the reasons for their presence and to identify possible solutions which can be implemented to close or prevent those gaps from widening further.

This will benefit the organization as it can be used as a tool to understand customer perceptions, which can equip management to gauge the effectiveness and efficiency of their relationship programmes. Having the knowledge and awareness of customers' perceptions and expectations will enable the firm to not only provide differentiated products and services, but also exceptional customer service. With this motivation in mind, the research study takes a strategic look at the importance of customer service, as perceived by customers, by means of determining whether the organisation is or is not meeting their expectations.

1.3 PURPOSE OF THE STUDY

The aim of the research study was to investigate whether Ola Milky Lane –Liberty Mall is or is not meeting their customers' perceptions of the business with regard to specific key attributes of quality customer service.

1.4 STATEMENT OF THE PROBLEM

Hypothesis Testing

Null Hypothesis (H_0) – Ola Milky Lane – Liberty Mall is not meeting their customers' perceptions in terms of the perceived key attributes of quality customer service.

Alternative Hypothesis (H_1) - Ola Milky Lane – Liberty Mall is meeting their customers' perceptions in terms of the perceived key attributes of quality customer service.

1.5 RESEARCH OBJECTIVES

The objectives developed were regarded as an opportunity to communicate information to the management team such that they can make informed decisions rather than being items on a checklist, which must be satisfied. This facilitated a clearer research study by setting boundaries. The objectives were also formulated as a means of providing a solution to the study. According to Aaker et al (2000 p54), "the research objective is a statement in as precise terminology as possible, of what information is needed". With regards to the research study, the research objectives were:

1. To establish whether key attributes of quality customer service, as perceived by customers, exist at Ola Milky Lane.
2. To identify which of those perceived attributes of quality service customers of Ola Milky Lane consider to be most important.

3. To determine whether the level of quality service received by customers of Ola Milky Lane influences their perceptions of the organisation.
4. To establish whether gaps between the expected level of service and actual level of service received by customers exist.
5. To identify the reason/s for the presence of those gaps which may exist.
6. To determine how these possible gaps can be reduced.
7. To identify further processes, if any, which can be implemented to continuously refine or close any gaps that exist.

1.6 RESEARCH DESIGN AND METHODOLOGY

Due to the nature of the study, exploratory research was undertaken to investigate customer perceptions of service quality, as no previous research has been conducted in this specific area by the business. This involved conducting primary research in the form of questionnaires to uncover perceptions and attitudes toward the participant. Moreover, since there was very little prior knowledge to build on, the researcher began without preconceptions as to what might be found. The absence of such structure permitted the pursuit of interesting ideas and clues to solving the problem, which prompted the research.

1.7 OUTLINE OF THE STUDY

The dissertation is presented as follows:

Chapter 2

This chapter covers the literature review. It begins with definitions of a customer and the importance of customer service. It then goes on to explain what consumer perceptions are and how these perceptions influence a customers' expectations and ultimately their behaviour. An in-depth discussion on customer service is included, which will, in turn, help the reader understand the significance of customer care and how the perceptions of customers influence their decisions.

Chapter 3

This chapter covers the participating organisation and a description of the goods and services that are offered. It includes a discussion on the current customer care programme that is used by the firm. This chapter also provides an insight into how the organization trains frontline staff to handle customers with care, ultimately enhancing their service experience with the firm.

Chapter 4

This chapter provides the methodology of the research and the details of how the study was conducted. It will also be used to answer the research questions stated in chapter 1.

Chapter 5

This chapter offers a presentation of the results in the form of frequency tables and pie charts, together with an in-depth analysis of the results in relation to the theory.

Chapter 6

This chapter provides closure to the research study, consisting of conclusions in relation to the objectives of the study.

Chapter 7

This final chapter offers recommendations in relation to the research conducted.

CHAPTER 2

LITERATURE REVIEW

2.1 CONSUMERS AND THEIR PERCEPTIONS

“You look for the solution to your problem not inside the product, not even inside your own mind. You look for the solution to your problem *inside* the prospect’s mind. Therefore you concentrate, focus and deal with the perceptions of the prospect” (Ries & Trout, 2001 p9). Since this thesis involves the study of consumers and their perceptions toward the level of service quality received, it is appropriate to begin the literature review with consumers and their perceptions in an attempt to try to understand how they perceive the world around them.

How the customer sees (i.e. perceives) the business translates into the way in which the business is positioned in their minds. By focusing on the mind of the customer (in studying his or her perceptions), one can learn principles and concepts that will greatly increase the effectiveness of the communication process. “Marketing is a battle of perceptions, not products or services” (Ries & Trout, 2001 p4). Hence, it is in the mind of consumers that marketers fight their battles to lose or win them over.

Perceptions, as explained by Schiffman & Kanuk (1994 p 161), can be described as “how we see the world around us”. It is the process that an individual goes through when he or she “selects, organizes and interprets stimuli into a meaningful and coherent picture of the world”.

A stimulus is any unit of input to one of the five senses. For instance anything experienced through our senses of seeing, smelling, tasting, feeling and hearing (Kolter & Armstrong, 1996 p 156). Things classified as stimuli are, for example, goods, brand names, advertisements and packaging. Since everything seen, heard, tasted, felt or smelt by a person may not be considered and interpreted, that consumer is thought to be selective. It is at this point that he or she tries to place the stimuli in a coherent picture of the world, company, product or service.

This means that there is no guarantee as to what the customer will select to interpret. If marketers are putting a message of professionalism across to the prospective customer in their advertisements but receive inadequate service from personnel, there could be no guarantee that the customer will select the advert to formulate a perception. This highlights the significance of the entire marketing mix supporting the positioning which the organization is attempting to create and maintain. If one aspect of the organization reflects the organization poorly, it could be that aspect the customer uses to formulate a perception.

2.1.1 Perceptual Limits

Stanton et al (1993 p147) give the following factors that limit consumers' perceptions:

- **Selective Attention**

This means that only those stimuli that catch and hold attention are given consideration to and thus, have a chance of being perceived. In other words, as Stanton et al (1993 p147) explain, "We pay attention by exception". This is also called selective exposure where a person chooses to expose him or herself to certain stimuli. This also means that a person can avoid or ignore an unwelcome or unwanted stimulus if they choose to do so. For example, a person turning the page of an advertisement or changing the channel when an advert comes on.

- **Selective Distortion**

Stanton et al (1993, p147), say that people tend to distort information that is inconsistent with their beliefs and attitudes to fit in with what they want to believe. This is called selective interpretation, which occurs when a person perceives the information but does not interpret it in the way it was intended. This is easily done by distorting the meaning or misunderstanding.

- **Selective Retention**

Using the literature provided by Stanton et al (1993 p147), selective retention refers to people holding on to only part of what they perceive. For instance, watching an

advert on television but forgetting shortly after. Selective recall is the ability of people to forget important features of an advertisement, product or service.

- **Selective Understanding**

This relates to the way in which people do not pay full attention to the stimuli presented, which leads to an incomplete understanding of the content of the marketing message. The marketing message must be formulated to counter these “defense mechanisms” that people use to protect themselves from unwanted stimuli, which a marketer wants them to be exposed to (Stanton et al, 1993 p147).

2.1.2 Perceptual Principles

Various principles are given by Schiffman & Kanuk (1994 p162) that control our perceptions and interpretations of the world around, which will now be looked at.

These principles include:

2.1.2.1 The Absolute Threshold

This is the point where the customer can experience a sensation (when they can tell the difference between ‘something and nothing’). The example Schiffman & Kanuk (1994 p162) use is that of a person driving on a highway, the distance at which he or she notices a specific billboard on the highway is that person’s absolute threshold. If two people are driving together, they will invariably notice the billboard at different times (at different speeds and distances); hence, people have different absolute thresholds.

2.1.2.2 Differential Threshold

This is also known as the ‘just noticeable difference’ (j.n.d) and is used to describe the minimal difference that is detected between two stimuli. It is explained by Schiffman & Kanuk (1994 p165) as “the stronger the initial stimulus, the greater the additional intensity needed for the second stimulus to be perceived as different”. This law, known as Weber’s law, means that businesses have to increase the intensity of their stimuli to ensure that the differences in their product or service are noticed.

An example is useful to clarify this principle: - a biscuit manufacturer has to reduce costs; however, no more price reductions can be afforded. Thus, he reduces the size of the box in which he sells the biscuits just enough so that the customers do not notice. This manufacturer has therefore applied the j.n.d principle. There are two main reasons as to why businesses use and apply j.n.d. The first is so that customers do not discern noticeable negative changes (increased prices, reduced product size etc). Secondly, so that customers recognize product improvements, like decreased prices or larger product sizes (Schiffman & Kanuk, 1994 p165).

2.1.2.3 Subliminal Perception

This principle of perception means that people can perceive stimuli without being aware of doing so, i.e. below their level of conscious awareness. This means that weak or very brief stimuli may indeed be perceived without people being aware of them (Sniffman & Kanuk, 1994 p166).

2.1.3 Quality as Perceived by Consumers

As explained by Zeithamal (1998 p4), consumers often judge the quality of a product or service based on a variety of informational cues. Some of the cues are intrinsic to the product, whereas others are extrinsic. Either singly or in composite, such cues provide the basis for perceptions of quality for goods and services. Intrinsic cues concern the physical characteristics of a product such as colour, flavour or aroma, which are used to judge quality. Consumers prefer to believe that they base their evaluations of product quality on intrinsic cues, as it enables them to justify their product decisions as being “rational” or “objective” (Zeithamal 1998 p4).

Often consumers are believed to use extrinsic characteristics to judge quality. For example, though many consumers claim they buy a brand because of its superior taste, they are often unable to identify that brand during a blind taste test (Schiffman & Kanuk, 1994 p189). It is more difficult for consumers to evaluate the quality of services than the quality of products. This is because of their distinctive characteristics: their elusiveness, variability, perishability and, they are simultaneously produced and consumed. Since

consumers are unable to compare competing services side-by-side as they do with competing products, they rely on surrogate cues (i.e. extrinsic cues) to evaluate service quality.

For instance in evaluating a doctor's services, patients may note the quality of the office and examining room furnishings, the number of framed qualifications on the wall, the pleasantness of the receptionist and the degree of professionalism. When combined, these aspects form service quality attributes in evaluating the service offered (Schiffman & Kanuk, 1994 p189). Since the actual quality of services can vary from day to day, from one service employee to another, managers try to standardize their service offered in an attempt to provide consistency of quality. The downside of services standardization is the loss of customized services, which many consumers value. The most widely accepted framework for researching service quality stems from the premise that a consumer's evaluation of service quality is a function of the magnitude and direction of the gap between the customer's expectations of the service and the customer's assessment (perception) of the service actually delivered.

The SERVQUAL Scale (Service Quality) designed by Parasuraman et al (1985 p41) was used to measure the gap between customers' expectations of services and their perceptions of the actual service delivered. Based on the following five dimensions:

1. Reliability
2. Responsiveness
3. Assurance
4. Empathy
5. Tangibility

Since its development, the SERVQUAL Scale has been used in numerous studies. However, not all of its empirical findings correspond precisely to the five dimensions that the scale was initially designed to measure. These dimensions, together with an analysis of the service quality gap model, will be discussed in detail later on.

2.1.4 The Marketing Mix and Consumer Perceptions

The quality of a service is often a difficult characteristic to measure, especially considering the importance of service quality as a means of gaining competitive advantage. Since service quality is affected by various elements in the marketing mix, the level of customer expectations and the perceived level of service delivery can be easily influenced (Palmer 2001 p231).

A case in point is the price charged for a service which, when all other factors are equal, is a major indicator of quality. Promotions have the effect of developing consumers' expectations of service quality – expectations which invariably most companies struggle to meet. Even front-line contact personnel are important elements of consumers' perceptions of functional quality (Palmer, 2001, p231).

Palmer (2001, p230) also speaks of ensuring that the gap between customer expectations and the perceived service delivery is kept as small as possible. He suggested that the gap is minimized through:

- i. Formulating a marketing mix that is as realistic as possible – exaggerated claims lead to higher customer expectations that the company cannot always deliver. The service could then be perceived as being of a poor quality.
- ii. Non-marketer dominated factors, such as word-of-mouth information, need to be considered – their presence may have the effect of increasing expectations.
- iii. Marketers must recognize that the relationship between perceptions and expectations is dynamic. Marketers cannot merely maintain a customer's level of perceived quality if their expectations have been raised over time.

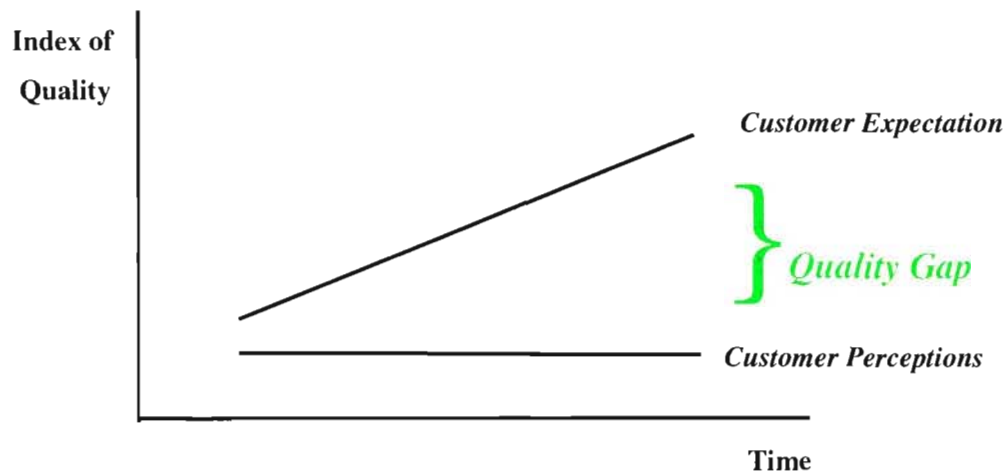


Figure 2.1: The Gap between Customer Expectations and the Perceived Service Delivery - (Palmer 2001 p231)

2.2 SERVICES MARKETING

2.2.1 The Nature of Service in an Organization

It is essential that the reader understand the most basic meaning of a service. Thus, the literature review begins with the palpable definition of a service. Products can be defined as goods, services and ideas (Weinstein & Johnson, 1999 p7). Today, there are very few pure goods. Almost all consumer and business products such as cars, cellular phones or computers are packaged with service components. This can include a service warranty or 24 hour support service and many more service options. Fast food meals are the classic example.

Using the explanation provided by Zeithamal (1998 p4) and in the case of Ola Milky Lane, while waffles, pancakes and milkshakes are the goods, the quality of the service experience is often more valued by customers using cues such as the firm's brand image, atmospherics and so on.

In virtually every area of activity today, service delivery has become a key factor to success. Customers demand that they be treated not as targets but as individuals. Their

perception of “the treatment I receive” is as important as “the goods I buy” (Irons, 1994 p2). A service is difficult to define since it is invariably marketed in conjunction with goods. All services require supporting goods and vice versa. For example, one needs an airplane to provide air transportation as a service and in purchasing a pair of jeans one requires the service of a clothing assistant or a cashier.

Furthermore, a company may sell a combination of goods and services. For example, along with a repair service of a vehicle one may need to buy spark plugs or replace an oil filter. Therefore, according to Etzel et al (1997 p515), it is helpful to think of every product as a mix of goods and services located on a continuum. This concept is discussed in the next section.

For purposes of a definition, it is useful to separate services into two classes. The first class includes services that are the main purpose or object of a transaction, for example; a car rental company makes a car (tangible goods) available to provide a rental service. Therefore, one is buying the use of a car and not the car itself. The second class includes services that support or facilitate the sale of goods or another service. For example, the purchase of a video camera may require technical information from a sales assistant or the need to pay by credit card (another service). Considering the above, a service can be defined as “an identifiable, intangible activity where the central motive of a transaction is designed to provide satisfaction to customers” (Etzel et al, 1997 p515).

2.2.2 Characteristics of Services

Fundamentally, services are marketed in the same way as goods. However, four characteristics differentiate goods from services. They are inseparability, heterogeneity, perishability and elusiveness. These distinctive characteristics create special marketing challenges and opportunities that may lead to different strategies than those used in the marketing of goods. Etzel et al (1997 p518) discuss the characteristics of services as follows:

2.2.2.1 Services are elusive

Since services are intangible, it is impossible for prospective customers to sample, (taste, touch, see, hear or smell) them prior to their purchase. Consequently, an organization's promotional strategy should be explicit about the benefits to be derived from that service, rather than emphasizing the service itself. Etzel et al (1997 p518), propose the following promotional tactics which may be used to suggest service benefits and reduce the effect of intangibility:

- Visualization – advertisements can be utilized to illustrate the benefits of a service. For example, people enjoying a holiday vacation.
- Association – by connecting the service with tangible goods, a person, object or place a particular image can be created. For example, Vodacom uses Moo, the meerkat, to get South Africans excited and dancing to the Vodacom network.
- Physical Representation – as an example, Visa uses the colour gold for its credit card service which symbolizes wealth and prestige.

Recently, websites have become a valuable tool in reducing the elusiveness of services. They make it possible for marketers to present information, use animation and sound, and answer specific questions via email. Thus, by expanding an organization's communication, the web increases the quantity and quality of available information, thereby improving the customer's understanding of the service offered.

2.2.2.2 Services are inseparable

While goods can be manufactured way ahead of time and even sit on a shelf for years before being sold and consumed, most services are produced, sold and consumed at the same time. Both the customer and the service provider must be present at the same time for the service to be delivered. In some cases, the service can be sold prior to being produced and consumed, as when one buys a ticket to a concert weeks in advance before actually attending the event.

This inseparability makes the nature of the encounter between the service provider and the customer crucial. From a marketing standpoint, inseparability limits distribution. It frequently means that a direct sale is the only possible channel of distribution. As an exception to the inseparability feature, some services may be sold by a person who is representing the seller, for example, a travel agent or an insurance agent (Etzel et al, 1997 p 519).

2.2.2.3 Variability

Compared to mass-produced or standardized goods, service variability means that the same service activities are performed in different ways from one day to the next. Even the same service performed by the same provider for the same customer can vary from time to time. Many factors can cause variability in service quality. It is difficult to standardize services because service situations, service providers and customers all vary to some degree. To offset this variability, service companies should ensure consistent levels of quality and maintain high levels of quality control.

2.2.2.4 Perishability

The perishability of services creates potential imbalances in supply and demand as they cannot be stored for future use. This resulting difficulty of balancing supply with fluctuating demand may pose promotion, product-planning, scheduling and pricing challenges. Hence, some organizations have developed new uses for idle capacity during off-seasons. Advertising and creative pricing can also be used to stimulate demand during slack periods (Schiffman & Kanuk, 1994 p186).

Despite having mentioned the above, in reality it is often difficult to point to a product and be certain that it is definitely an intangible service or a tangible good. Most products are a combination of both. For example, purchasing a product like a car, has service components, including trained service personnel, maintenance plans etc which constitute a service. On the other hand, when purchasing a make-over, the service still includes goods such as the creams, cosmetics that are used by a cosmetologist to render the service.

The goods and services continuum below illustrates the differences between pure goods and pure services.

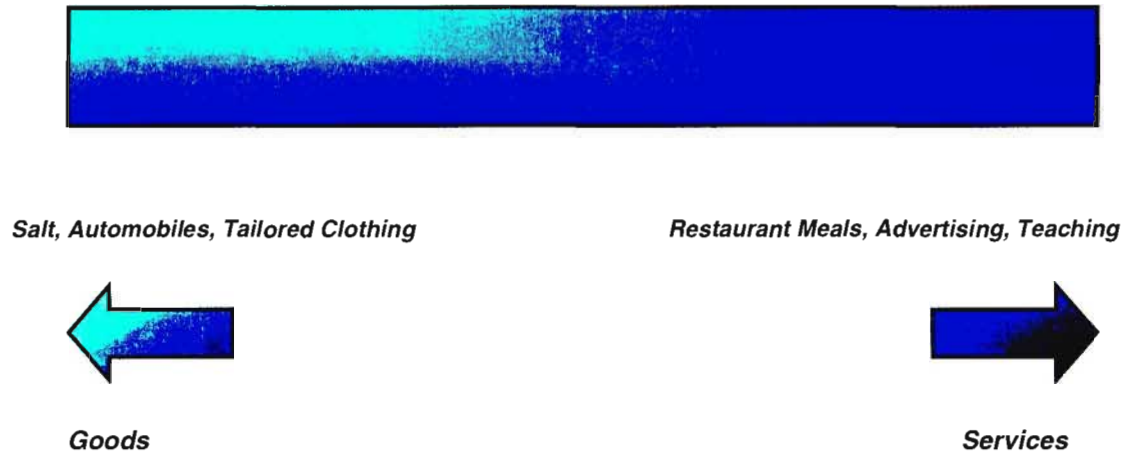


Figure 2.2: The Goods and Services Continuum - (Etzel et al, 1997, p516)

2.2.3 Service Quality

2.2.3.1 Existing Knowledge about Service Quality

Quality is an elusive concept, which is easy to visualize but complicated to define. It has many definitions, for example, Stamatis (1996 p8) defines quality as “the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”. Canning (1999 p19) expands on this definition and goes on to say that quality goods and services satisfy the needs of both internal and external customers. Moreover, quality serves as the “bridge” between the producer of goods and services and its customers.

Today quality has become the most competitive force facing companies all over the world. The search for quality has become an important trend as demanding customers have come to expect service that is fast, consistent and affable. Many of the products and services that are used have become standardized, such that even private label brands meet or exceed minimum standards. Modern communications permit, and in

some cases encourage, customers to shift their patronage from one producer to another. Global competition has resulted in increased choice and has raised customer expectations of what constitutes acceptable quality.

According to Weinstein & Johnson (1999 p64), marketing can be regarded as a contest for consumers' attention and the internet is now competing for that attention since, consumers worldwide now utilize the Web for making purchases or acquiring information. The internet shifts power away from businesses to consumers who can quickly compare products, prices and services offered from a range of suppliers as never before. Competition is therefore, "just a click away". These developments point to the need for companies to offer customer-defined quality that differentiates them in the global and digital marketplace.

Defining quality for services is therefore more difficult than for products, due to the elusiveness and variable nature of services and, the lack the necessary information to evaluate service quality. For example, consumers of durable goods, such as cars or electronic appliances, often conduct research before making a purchase, allowing them to use search quality prior to the purchase. Moreover, consumers can also use experience quality based on post-purchase evaluation of the good or service to determine whether their expectations are met (Weinstein & Johnson, 1999, 68).

With services, consumers are usually limited to using credence quality to evaluate their experience, relying solely on the overall credibility of the service provider. For example, a consumer receiving legal services or a medical service has little basis on which to judge the quality other than the reputation of the law firm or the medical institution. These factors, together with many more, make it difficult for consumers to evaluate services in advance while at the same time creating greater risk. Marketers can reduce this risk by providing information that helps customers evaluate alternatives before the purchase as well as provide documentation of the firm's service reputation (Irons, 1994, 68).

Another challenge presented in assessing service quality arises when viewing services along a continuum ranging from pre-sale to post-sale activities. The figure below illustrates the progression of these activities and where potential for service failure may occur in the process. Customers form perceptions of quality during the service transaction, i.e. how effectively and efficiently the service was delivered, the speed and the convenience of the transaction. For example, in purchasing a waffle, did the order take longer than usual to arrive, or was the waffle cooked through, or was the customer not provided with the appropriate utensils?



Figure 2.3: The Service Transaction Continuum – (Weinstein & Johnson, 1999 p69)

Grönroos (2001 p38) states that consumers generally form a set of attributes or characteristics in mind when judging the quality of a service and consequently assess service quality using the following common dimensions:

- a) Reliability – dependable and accurate performance of promised service.
- b) Willingness – readiness to provide effective service.
- c) Competence – knowledge and skill to perform the service.
- d) Access – approachability and ease of contact of service personnel.
- e) Courtesy – politeness, consideration and friendliness of service personnel.

- f) Communication – keeping customers informed and listening to customers.
- g) Credibility – trustworthiness, believability and honesty.
- h) Understanding – knowing the customer needs.
- i) Tangibles – demonstrating physical evidence.

2.2.3.2 The Gap Analysis Model

Managing the standard elements of the marketing mix (product, price, promotions, and place) differs to the management of quality service as front-line employees carry out customer service. Thus, employees have almost immediate marketing implications on a business. It is for this reason that many retailers consider employees as “internal customers.”

According to this notion, management must “sell” their internal customers on the company and its policies in order to induce front-line employees to deliver the desired levels of customer service (Carman, 1990 p 40). Standard personnel policies that can facilitate customer service and sell the “internal customers” include (a) employee screening and selection, (b) training, (c) setting suitable reporting relationships, (d) goals and reward systems, (e) internal communications, and (f) generally creating a “service” culture.

The Gap Analysis Model goes a step beyond simply re-examining each of the standard personnel policies in light of the desired customer service. The model provides specific criteria concerning personnel and management policies that complete the linkage between customer expectations and perceived service delivery. In addition, the model provides a checklist of where breaks in the chain can occur; using this checklist can provide a useful audit of service quality.

The starting premise for this model is that “perceived service quality (or satisfaction with service) is a function of the difference between expected service levels and delivered (or perceived) service.” If this premise holds, as the authors found it does in field research for several financial and other service companies, then the key to

customer satisfaction is managing both customer expectations and actual delivered service (Parasuraman et al, 2001 p144).

The diagram which follows, summarizes how perceived service levels can diverge from expected service levels. This is the essence of the Gap Analysis Model.

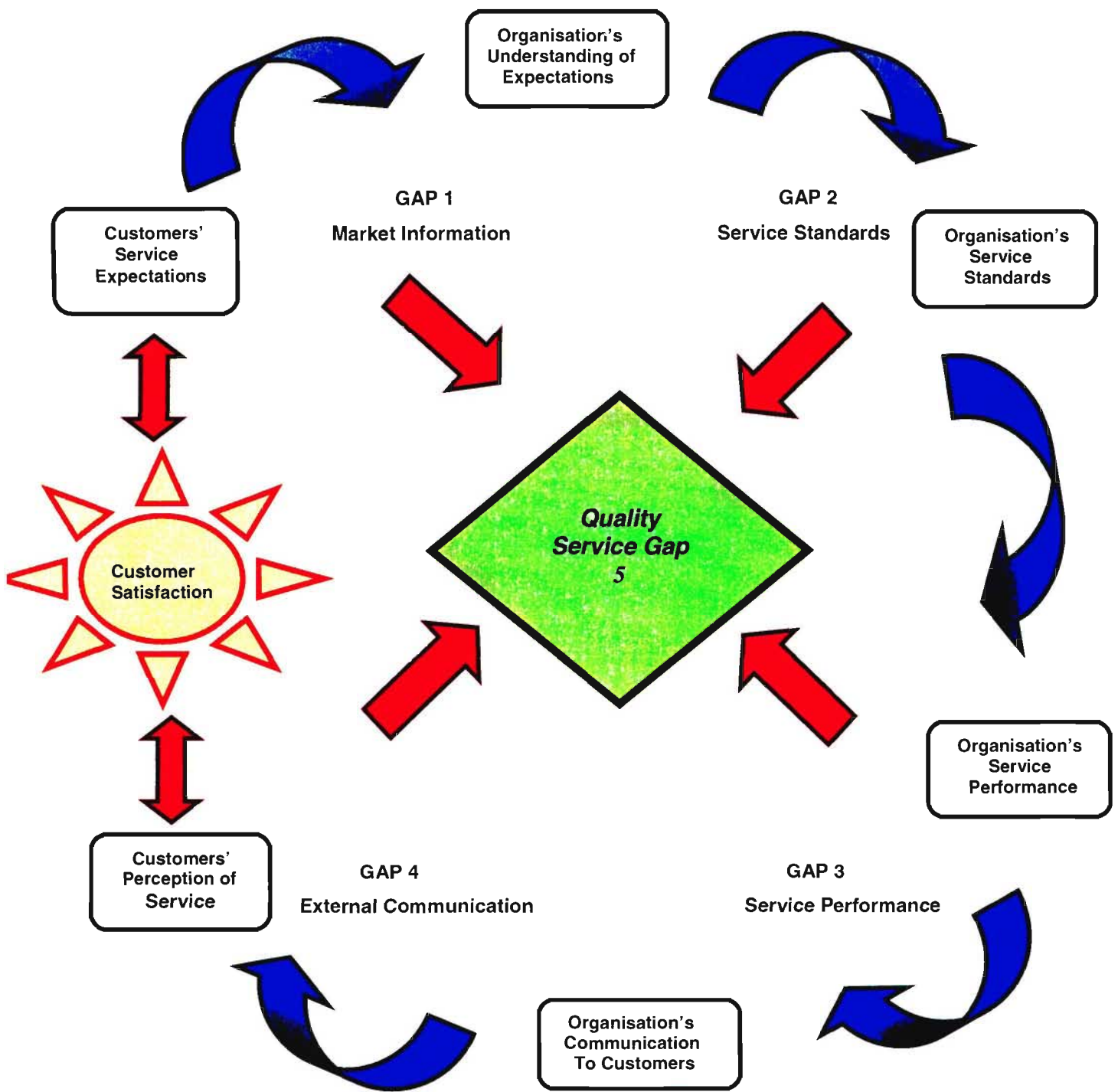


Figure 2.4: Conceptual Gap Analysis Model - Factors Affecting Service Quality

(Parasuraman et al, 1988 p40)

Gap 1: The organisation not understanding consumers' expectations

This is the first and possibly most critical step in delivering quality service. This gap may stem from any combination of a lack of market research within the firm, inadequate utilization of research findings or inadequate upward communication. Service firms sometimes fail to understand what characteristics and attributes indicate quality to consumers, what features a service should possess to meet consumer requirements and, what levels of performance of these attributes are needed to deliver quality service. Since there are few clearly defined and tangible cues for services, the gap between what consumers expect and what management think they expect may be considerably larger than it is in firms that produce tangible goods.

- *Insufficient market information*

According to Parasuraman et al. (1988 p40), evidence indicates that service firms lag behind goods firms in their use of marketing research and in other facets of customer orientation. This arises due to the organisation's lack of effort to understand customers and their needs. Formal market research activities may help managers focus on gathering data about service quality issues and from that data, gain an understanding of which features are most important to customers, which levels of these features customers expect, and what customers think the company can and should do when service delivery problems occur (Grönroos, 2001 p36).

The infrequent use of research findings often is a consequence of managers being too involved with the daily operations of the firm and overlooking them (Parasuraman et al, 2001 p143). Hence, data is misinterpreted and not utilized in a meaningful way. This is also the result of insufficient interaction with customers. This issue can be addressed by having managers participate in the most basic of marketing research activities, such as simply mingling with customers to learn about their needs and expectations. A formal mechanism to

address this issue would be to rotate managers periodically through the front-line.

Since marketing research is a key vehicle for understanding consumer expectations and perceptions of services, the size of gap 1 should depend greatly on the amount of marketing research conducted. Other research related variables include the extent to which research data is used (i.e. read, understood and applied) by managers in the organization and the degree to which the research focuses on service quality issues.

An additional factor influencing the level of market information is the extent to which the organisation interacts with its customers. In some service firms, especially ones that are small and localized, managers may be in continual contact with their customers, thereby gaining firsthand knowledge of consumer expectations and perceptions. As the degree of contact between top managers and consumers increases, management ought to gain a better understanding of the consumer in an attempt to decrease the size of gap 1 (Parasuraman et al, 1988 p35-48).

- ***Levels of Communication***

Though top managers may not have a firm grasp of consumer quality expectations, research suggests that customer-contact personnel can accurately predict consumer expectations and perceptions of the service (Grönroos, 2001 p36). Hence, top management's understanding of the consumer may depend largely on the extent and types of communication received from customer-contact employees. Upward communication typically provides information to upper level managers about activities and performances throughout the organization. Specific types of communication that may be relevant are formal (e.g., reports of problem and exceptions in service delivery, performance reports on contact personnel and accounting or financial information that would signal inferior or superior performance) and informal (e.g., discussions between contact personnel and upper level managers).

Here, gaps in service occur when top management fail to seek, stimulate and facilitate the flow of information from employees at lower levels. These employees are often the most valuable source of real and relevant information about customer service (Carmon, 1990, p 40). Related to this, Gap 1 may also occur when too many levels separate top managers, who make critical decisions, from those responsible for dealing with and serving customers.

- ***Structure of the Organisation***

The structure of an organisation is expected to affect the size of gap 1. Unnecessary layers of management hamper levels of communication and understanding as they form a barrier between senders and receivers of messages. Hence, should any unnecessary layers between customers, employees and top managers exist, the larger gap 1 is likely to be (Parasuraman et al, 1988 p35-48).

Gap 2: The Organisation's Perception of Service Quality

The second service quality gap arises when there is a divergence between what manager's perception of what customers expect and the actual standards that they set for service delivery. This gap may occur when management is aware of customers' expectations but may not be willing or able to put systems in place that meet or exceed those expectations (Taylor & Baker, 1994 p163). For example, putting systems in place may require changes in fundamental organizational work processes, acquiring expensive new technology, or refocusing organizational attitudes to understand service from the customer's point of view.

- ***Insufficient levels of commitment to service quality***

Management of effective organizations must view service quality as a key strategic goal. The absence of an organizational commitment to service quality is a virtual guarantee of a wide Gap 2. Carmon (1990, p40), poses three key issues when evaluating the extent of Gap 2:

- a) Dedication and commitment of the organisation to improve and maintain service quality
- b) Reward systems
- c) Making the achievement of quality customer service a priority

- ***Goal setting***

Setting goals or targets improves organisational performance, heightens individual achievement and increases overall control of the organisation. Parasuraman et al, (1988 p35-48) say that those companies successful in delivering high service quality are known for establishing formal goals relating to service quality.

The development of service goals involves defining service quality in ways that will enable service providers to understand what the upper level management team wishes to deliver to the ultimate consumer. The existence of a formal quality program that includes the identification and measurement of service quality is expected to be one variable that reduces the size of gap 2 (Grönroos, 2001 p 38).

- ***Task standardization***

The efficient transformation of managerial perceptions into individual service quality standards depends on the extent to which tasks are uniform and routine. Authors Parasuraman et al, suggest that an organisation's technology can serve to standardize and regularise an employee's behaviour (1988 p40). If tasks are routine, such as those needed for taking a home loan, explicit systems and policies can be established to effectively execute that task. On the other hand, if services are customized for individual consumers, such as estates planning, specific standards are difficult to establish, for example, the time to be spent with each client. However, some aspects of service provision can be routine.

Parasuraman et al, propose that the standardisation of a service can take three forms (1988 p41):

- 1) Substitution of hard technology for personal contact and human effort,
- 2) Improvement in work methods,
- 3) A combination of these two methods.

Hard technology includes automatic teller machines, automatic car washes, airport x-ray machines, all of which allow standardisation of service provision by substituting machines for human effort. Soft technology is illustrated by restaurant salad bars, pre-packed travel tours and the standardized training given to employees such as the standard training procedures provided by Ola Milky Lane. Parasurman et al (1988 p40), recommend that the more managers can standardize tasks for the delivery of services, the smaller gap 2 will be.

• ***Perception of infeasibility***

Exploratory research reveals that the size of gap 2 is affected by the extent to which managers perceive that meeting customer expectations is feasible (Taylor & Baker, 1994 p166). Therefore, the greater the management's perception that consumer expectations cannot be fulfilled, the wider gap 2 will be. To be committed to customer service, managers must believe that customer expectations can actually be met. Gap 2 can be closed when an organisation considers the following issues:

- a) The firm's capability to meet customer requirements
- b) The perception that customer expectations can be met without hindering the financial performance
- c) The existing policies, procedures and systems
- d) The availability and commitment of employees to deliver quality service that customers demand
- e) The organisation's enthusiasm toward adopting service quality culture

Gap 3: The Service Delivery Gap

This gap is the discrepancy between the specifications for the service and the actual delivery of the service. It can also be referred to as the “service performance gap”; that is, the extent to which service providers do not perform at the level expected by management (Parasurman et al 1988, p41). This service performance gap occurs when employees are unable and/or unwilling to execute the service at the desired level.

Carmon (1990 p 42) says, that these seven key factors contribute to this unwillingness/inability:

1. Teamwork: It is crucial that employees and managers work together toward a common goal. Positive indicators of a cooperative and productive atmosphere include:

- Supportive staff maintaining good customer-contact,
- Employees who are committed to the company,
- Customer- contact staff who cooperate with each other rather than compete against one another and are buoyant to work together to provide superior customer service.

2. Employee Job Fit: This is the match between the employee’s skill level and their job description. In order for this gap to be avoided, employees must first believe they are able to perform their jobs well, the company must hire qualified people, and management must devote sufficient time and resources to hiring and selecting employees.

3. Technology Job Fit: Gap 3 will exist when employees are not provided with reliable and suitable equipment to perform their tasks. Service quality also depends on the appropriateness of the tools and technology an employee uses to perform a task. Technology and equipment, such as bank computers and diagnostic equipment can enhance the quality of service received by the customer.

4. Perceived Control: This is the extent to which employees perceive that they can act flexibly rather than acting to a specific role when solving service problems.

5. Supervisory Control Systems: Organizations must implement appropriate evaluation and reward systems to prevent Gap 3 from occurring. For example, employees should know what aspects of their jobs will be stressed in performance evaluations and how well they interact with customers. Finally, it is important that organizations ask themselves whether their employees are empowered to deliver service and whether employees have to receive approval from other departments before delivering service (Carmon, 1990 p 43).

6. Role Conflict: Parasuraman et al (1988 p43) propose that the role attached to any position in an organisation represents the set of behaviours and activities to be performed by the person occupying that position. When the expectations of that person are mismatched or too demanding, he or she experiences role conflict - the notion that they cannot satisfy all the demands of a specific position. Perceptions of role conflict are psychologically uncomfortable for an employee and can have a negative effect on the employee's satisfaction and performance in the organisation. This can result in an increase in absenteeism or staff turnover.

7. Role Ambiguity: This occurs when there is uncertainty about what to expect, or how to provide the level of service that is necessary to satisfy customers.

Gap 4: The difference between Service Delivery and External Communications

This gap surfaces when a company is unable to deliver on the promises made. Customers will then perceive the organization is delivering low-quality service, which widens the gap between promised levels of service and the service that is actually delivered. The problem is therefore created when advertising, personal selling or public relations over-promise or misrepresent service levels. This gap can also occur when companies do not inform their customers of special "behind-the-

scenes” efforts that are designed to serve to improve service levels, but are not visible to customers (Carmon, 1990 p 44). Making customers aware of these standards or efforts can heighten their service perceptions

In summary, the Gap Analysis Model can help identify causes of poor service. By acknowledging these causes leading to gaps in service delivery, a business organisation can work to remedy them by closing the existing gaps and also prevent others from opening in an attempt to improve service quality offered.

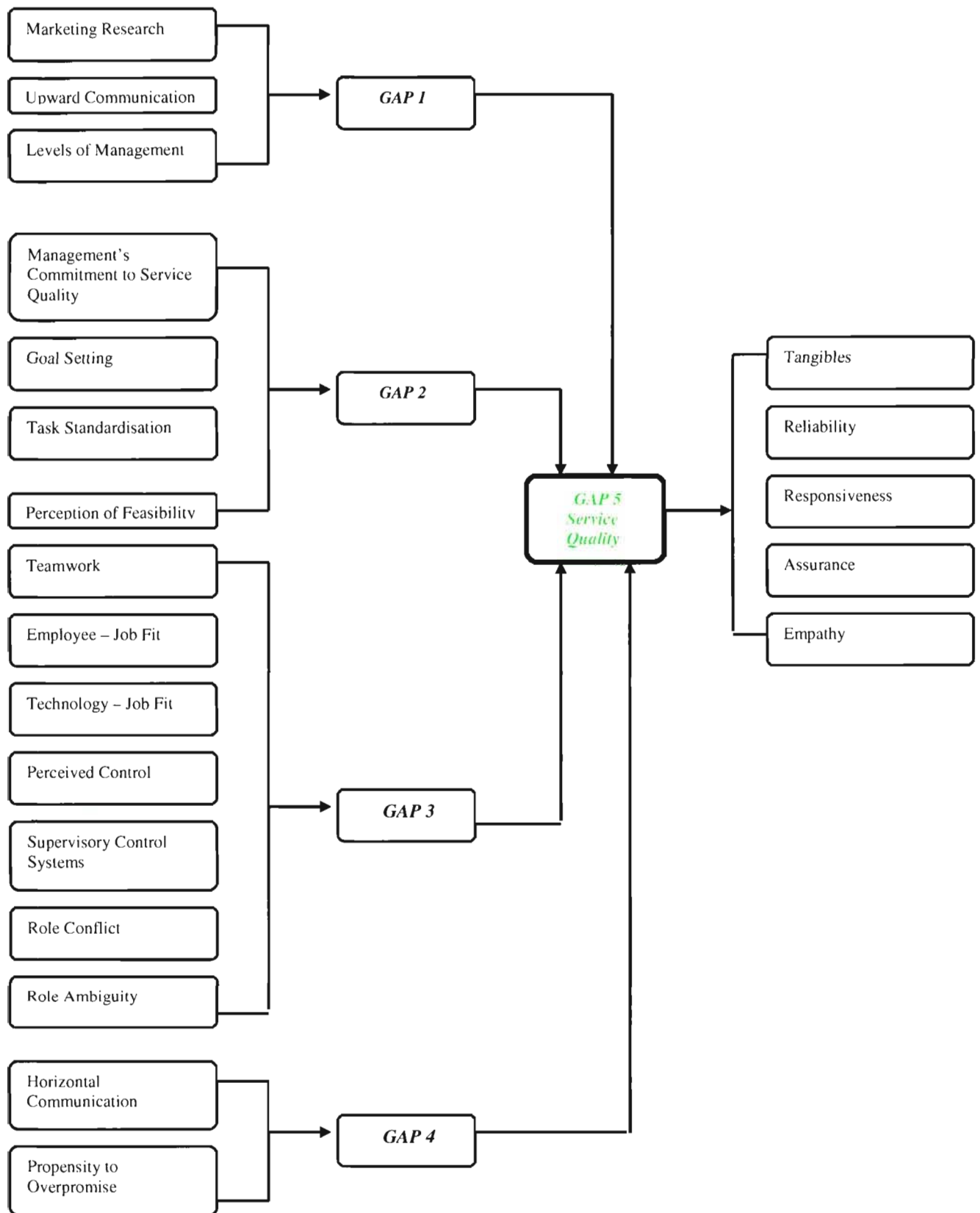
2.2.3.3 An Extended Model of Service Quality (SERVQUAL)

The theoretical constructs just discussed, derived from organisational behaviour and marketing literature, are useful to an understanding of service quality shortfalls (i.e. gaps 1 through 4 in figure 2.4) and in taking corrective action to ensure the delivery of high quality service. Figure 2.5 is an extended model of service quality offered by Parasuraman et al (1988 p45), showing the various organisational constructs and their relationship to the service quality gaps. Tables 2.1 through to 2.4 detail variables that can be used to operationalize and measure the theoretical constructs affecting the four above mentioned gaps.

Marketing gurus Parasuraman et al, developed a multiple-item scale called SERVQUAL to measure service quality as perceived by consumers, gap 5 in figure 2.4, page 21 (The Conceptual Gap Analysis Model) and figure 2.5, page 31 (The Extended Model). The SERVQUAL scale operationalizes and measures service quality along five distinct dimensions: tangibles, reliability, responsiveness, assurance and empathy. SERVQUAL scores along these dimensions can be viewed as indicators of the construct of perceived service quality. Likewise, measures of the theoretical constructs affecting each gap can be viewed as indicators of that gap.

Therefore, it is possible to recast the conceptual service quality model (figure 2.5) in the form of a structural equations model wherein perceived service quality (gap 5) is the unobservable dependent variable and the four gaps on the management’s side (gaps 1-4)

are the unobservable independent variables. This model has been tested by collecting and thoroughly analyzing data on the indicators of the five gaps through the undertaken research of a service organisation, Ola Milky Lane.



*Figure 2.5: An Extended Model of Service Quality
(Parasuraman et al, 1985 p45)*

2.2.3.3.1 Qualitative use of SERVQUAL

The SERVQUAL concept of service quality mentioned above can aid the manager by providing general knowledge of how consumers are likely to judge the quality of the business. Recall at the beginning of the literature, in judging the quality of service consumers consider categories of service attributes such as reliability and responsiveness. In addition, they take into consideration the level of performance that they believe service firms should achieve on those service attributes; therefore, consumers have quality expectations. Consumers also compare a service firm's performance on the attributes to their expectations and performance short of expectations signals low quality to the consumer.

SERVQUAL dimensions are likely to be industry specific. According to Parasuraman et al (1985 p41-50), the first step for managers would be to determine whether the industry has been included in previous studies or in other work where the dimensions have been identified. If so, the dimensions are known. If not, decisions must be made either to spend some time and money identifying dimensions or to select the industry that provides the best match and use those expectations.

Having acknowledged the dimensions, the second step would be to judge customer expectations and, how well the firm is performing in relation to those dimensions (Parasuraman et al, 1985 p41-50). Information both on expectations and on performance can be gathered by talking to customers and service contact employees who have direct experience in dealing with customers. Customer complaints and other communications with managers can be another source of qualitative data.

The third step would be to identify weak dimensions by comparing actual performances with expectations. Strengths can also be identified where performance meets or exceeds expectations (Parasuraman et al, 1985 p41-50). Plans can be made to reduce weakness and use strengths to gain a competitive edge. Hence, employees can be educated on what service quality consists of and how they can help improve the level of quality customer service.

2.2.3.3.2 Quantitative use of SERVQUAL

The quantitative use of SERVQUAL can employ the same generic steps as outlined above:

- Determine the dimensions for an industry based on literature or perform a study in which the dimensions are identified such as the undertaken study;
- Act as a measure for the firm's customer expectations and performance on the dimensions;
- Compare expectations with performance to identify strengths and weaknesses in service quality and,
- Take action to correct weaknesses and capitalize on strengths.

In addition, a fifth step is to add a framework for judging quality data over time and in comparison with other firms. Measuring quality over time is useful in order to see if improvements have been made or if expectations have changed. Comparable data could be obtained for competing firms in order to see how the firm is doing relative to its competitors.

2.2.4 Improving Service Quality

Improving quality is a lot like taking vitamins, eating healthy food and exercising regularly. Although the results may not be immediate, long-term benefits are significant. Quality is neither a quick fix nor the program of the month, but rather a way of life for companies who are serious about improvement. Quality is fundamental to creating value yet it is a moving target and must meet a customer's current definition of quality. Weinstein & Johnson (1999 p77), offer the following recommendations for improving service quality and ultimately delivering superior customer value:

1. Design services in cooperation with customers - Learn what customers truly value by incorporating the voice of customers in the service development process. It is also significant to determine a customer's preferred service attributes as well as their relative importance.

2. Promote teamwork to achieve service excellence.
3. Build an organisational culture based on service quality attributes which can be used as guidelines for influencing positive perceptions.
4. Employee selection, job design and training are crucial to building customer and service quality. In addition to training staff, management should structure their posts and that of other personnel to maximize the ability to respond quickly and competently to customer needs (Weinstein & Johnson, 1999 p77).
5. Reward total quality efforts in marketing. Here employees should be rewarded based on the level of commitment and effort displayed instead of outcomes such as sales.
6. Think of service as a process and not a series of functions. Service quality occurs when the entire service experience is managed and the organization is aligned to respond accordingly.

2.2.5 Service Quality Management

The market environment for services is becoming increasingly complex and competitive. Thus, many service companies are now exhibiting the characteristics of a more mature operating environment, including product homogeneity, market fragmentation, increased customer demands and raised consumer expectations (Stamatis, 1996 p60). In this competitive environment, the pursuit of service quality is considered by many organizations to be an essential element of their corporate strategy. Service organizations are now constantly searching for sources of competitive advantage but, as product quality rises and products become less distinguishable from one another, companies are seeking competitive advantage through the service elements of their product.

Parasuraman et al (2001 p140-147), suggest that quality is defined by the customer and not by the product or service provider. For example, a hairstylist may be delighted with the job done on a person's hair but if he or she thinks it looks terrible then the service quality perceived is poor. Customers also assess the service received by comparing their expectations to their perceptions of how the service is performed. In this process, there is no guarantee that expectations will be reasonable nor is there any assurance that a

customer's perception of performance will be based on a single experience (Kolter & Armstrong, 1996, p 667).

Consequently, to manage quality effectively a service firm should:

1. Help customers formulate expectations,
2. Measure the expectation levels of their target market and,
3. Strive to maintain consistent service quality at or above the expected levels.

Expectations are based on information from personal and commercial sources, promises made by the service provider and any experience with a particular or related service. Organisations have the opportunity through their formal and informal communications to influence those customer expectations. It would therefore, be practical for a service firm to conduct some research to measure these expectations. Gathering data on the target market's past behaviour, existing perceptions and beliefs as well as exposure to information can provide a basis for estimating their expectations.

With the desired level of service keyed to expectations, the next challenge would be to standardize the service performance, that is to maintain consistency in service output. It holds true that sometimes service performance varies even within the same company, as they are performed by people and human behaviour is immensely difficult to standardize. As part of managing service quality, an organization should design and operate an ongoing quality improvement program. The foundation of quality improvement is monitoring the level and consistency of service quality. Moreover, holding to the idea that service quality is defined by customers, a firm should regularly measure customer satisfaction which is customers' perceptions of the service quality they receive (Kolter & Armstrong, 1996 p 668).

2.2.6 Customer Service

2.2.6.1 The Changing Nature of Customer Service

Recent years have seen enormous pressure on service organizations to improve the way they do business with their customers. As competition has become global and more intense, many companies realize that they cannot compete on price alone. It is in these marketplaces that businesses have developed strategies for providing superior customer service and ultimately customer care so as to differentiate their goods and services from competitors. The challenge facing these organisation's today is to "inject" innovation into its lifeblood, such that it becomes part of its very being (Cook, 2002 p3).

Today's customers are increasingly sophisticated, educated, confident and well informed; they have high expectations of the service they hope to receive. Therefore, a successful firm should constantly strive to uncover innovative ways to enhance a customer's service experience. In addition, developing strategies for providing premium service that will capture customers has become a priority (Lucas, 1996 p5).

2.2.6.2 Developing a Customer-Orientated Organization

Customer orientation begins with the business culture of an organization which consists of top management's values, employees, interdepartmental dynamics, organizational systems and response to the environment (Weinstein & Johnson, 1999 p23). A dual emphasis on the customer and on competition is required as well as a long-term view. Today's customers are smart and sophisticated and seek those companies who create maximum value for them, based on their needs and wants and those that demonstrate the value of their business.

These new value-seeking customers often possess attributes, such as being demanding and knowledgeable, believing that their loyalty must be earned, being price conscious, concerned about the environment and convenience orientated (Weinstein & Johnson,

1999 p24). Astute marketers recognize and respond to these issues when designing value propositions and marketing strategies.

In today's mature and highly competitive markets, a changing two-fold objective exists; primarily to focus on maintaining and upgrading customer relationships and, secondarily, to grow the business by finding new customers (Weinstein & Johnson, 1999 p17). Regardless of the type of company, being customer oriented provides the impetus for building an organizational culture that puts its customers first, creates superior value for them and leads to improved overall business performance. Customer orientation should be the responsibility of everyone in the organisation. As a result, employees of these customer-focused firms will become value adders as they will understand the importance of listening and responding to customers, so as to satisfy their needs and turn them into loyal customers.

In addition, a customer-orientated organisation builds on the marketing concept, customer-driven programmes, establishes strong marketing information systems, segments and targets markets and utilizes the best talent, and continually fine-tunes its customer focus (Irons, 1994 p 91). Market orientation thus, builds the necessary culture and customer-focused framework which facilitates businesses to deliver superior value to their target markets. Traditionally, external marketing has been the focus for all customer-directed activities with the "4 P's"- product, price, promotion and place taking centre stage. In today's services dominated economy, this view is limiting as a fifth 'p'- people become paramount.

This simply means that internal marketing is used to develop customer-focused employees. Basic human resource activities, such as recruitment, training, motivating, compensating and evaluating, come into play in this area. Once people are adequately prepared for their respective business challenges, interactive marketing (face-to-face and other customer contact) takes over. It is at this point that exceptional customer service can be differentiated from average companies.

2.2.6.3 Benefits of a Customer-focused organization

In increasing competitive marketplaces, best practice organizations have demonstrated clear benefits of focusing on the ultimate customer. Cook (2002. p2), summarizes that good customer service enables a business to:

- Differentiate itself from competition,
- Improve its image in the eyes of the customer,
- Minimize price sensitivity,
- Improve profitability,
- Increase customer satisfaction and retention,
- Achieve a maximum number of advocates for the company,
- Enhance it's reputation,
- Improve staff morale,
- Improve employee satisfaction and retention,
- Increase productivity,
- Reduce costs,
- Encourage employee participation,
- Create a reputation for being a caring customer-orientated company,
- Bring about continuous improvements to the operation of the company.

2.2.6.4 Management Implications of Customer Service

Maximizing customer value through the service offered is an evolving challenge for service marketers. Visionary companies are responding to a new breed of smarter, more demanding customers by rethinking some of their traditional job functions using customer value-based decision making and stressing customer retention strategies (Weinstein & Johnson, 1999 p10). To adapt more effectively and efficiently to customers, new types of value providers or value adders are required. While some changes may seem to be superficial, in reality they are sound strategic

responses to the changing business environment and the need to deliver superior value to customers.

Author Ken Irons says that, “A customer value decision-making framework offers the management team a unique opportunity and a potentially superior way of understanding business opportunities (1994 p91). Enhanced customer care and value goes beyond isolated transactions; it builds long-term bonds and partnerships in the marketplace. Moreover, strong corporate and customer ties transform buyers into loyal advocates. Increased customer loyalty results in increased usage frequency and variety.

Perhaps, more importantly, is that delighted customers play a vital “word-of-mouth” public relations role which creates new business opportunities via referrals. Conversely, bad mouthing by dissatisfied customers cannot only be harmful but can cause the business to become unsuccessful. Therefore, to succeed in the new millennium, service organizations must do a brilliant job of creating value for their customers. It is imperative that they develop strong bonds with customers to create loyalty, which will in turn lead to a higher customer retention rate.

2.3 POSITIONING OF SERVICES

Kotler (1997, p295) describes positioning as the “act of designing the company’s offering and image so that they occupy a meaningful and distinct competitive position in the target, ‘consumers’ minds’. Schiffman & Kanuk (1994, p186) speak of positioning as the image a customer has of goods or service. Another definition is offered by Palmer & Palmer & Cole (1995, p380) who explain positioning as “developing a marketing mix to influence consumers’ perceptions of the service and to give the organization a competitive advantage with its chosen target market”.

Ries & Trout (2001, p21) also define positioning as, “an organized system for finding windows in the consumer mind” which is based on the concept that communication can only take place at the right time and under the right circumstances. This definition shows that

communicating the position of a company, product or service can only take place successfully once the open windows of the mind have been identified and targeted.

Product and service positioning has also been identified as the “way customers perceive a product in terms of its characteristics and advantages” (Irons, 1994 p91). In other words, the key to positioning is what benefit or advantage it could give customers. For example, the benefit of visiting the participating store would be the delectable food and the exceptional customer service.

A repositioning strategy will be needed if the products or services are reaching the wrong people or if the product or service is reaching the right people in the wrong methods. Essentially, positioning relates to finding a fit between a specific market offering and the needs of the target market; the better the fit the more accurately needs will be met. This means that more of the target market can be satisfied, which could lead to a great market share.

The researcher has used a combination of many theories as stated above and realized that much of positioning has to do with perceptions and the consumer’s mind. However, it would be naïve to imply that positioning has nothing to do with manipulating the product or service itself. Hence, the researcher’s standpoint takes into account the importance of manipulating both the product as well as the customer’s mind in positioning.

2.3.1 The Importance of Positioning

It has been established that positioning is an important strategic marketing tool, which allows managers to ascertain what position they are in at the moment, where they want to be and what actions are needed to attain that position. This allows market opportunities to be identified by considering positions that have not been met by the competitors. Positioning therefore helps to influence both product, service development, and re-design existing offerings. It also allows a firm to consider possible moves of the competition and responses so that appropriate action can be taken.

Positioning can be referred to as how the customer sees or perceives particular goods or service relative to the competition. It is important to identify the windows that Ries & Trout (2001, p21) talk about because if a competitor occupies the position in the customer's mind the resources and effort spent on the positioning strategy and in fact the product or service will be wasted. The positioning of goods or services in the mind of a customer (i.e. how they perceive it) will influence their behaviour towards those particular goods or services. This behaviour will translate into purchasing behaviours and decisions concerning the goods or services.

2.3.2 Difficulties in Positioning of Services

Palmer & Cole (1995, p333) say that, "Positioning for a service industry differs from the manufacturing industry in that the method of producing the service is an important element of the positioning process". In essence, service delivery is vital in ensuring the right message is sent to the customer. Service marketers face various unique challenges. As mentioned earlier, one of the challenges is that a service is intangible hence, marketers should attempt to create an image to differentiate that service from another.

Lovelock (1984 p134), also acknowledges the difficulties in positioning a service and goes on to say, in addition to the intangibility of the service, the management team has to communicate a vague message of benefits because the customer cannot see the benefits before buying the service. Thus, the service ought to be positioned through symbols, imagery and association (such as excellent reputation).

The design of the service environment is imperative as it sharply influences customer impressions as well as customer and employee behaviour. The reasoning behind the importance of the physical environment is because there are few criteria whereby the customer can actually judge the quality of the service they receive (Lucas, 1995 p56). This factor has significant implications for Ola Milky Lane. Due to the intangibility of the service offered, customers will rely on other criteria on which to base their perceptions. In other words the employees need to be acutely aware of the potential effect their treatment

of the customers can have on the perceptions created towards the store as well as their affect on the company's positioning.

The pricing policy of the organization would be another area that has a direct bearing on the perceptions customers have towards the store. In addition to that, the physical evidence (e.g. the products, the surrounding area of the store) play a valuable role in providing cues to the quality of service provided by the company. This places far more importance on the marketing mix elements, emphasizing how the elements need to be interwoven to achieve a common goal. Service failures do not necessarily lead to dissatisfied customers. As mentioned earlier, when service failures are handled properly it could result in customer satisfaction. This uncovers a secret weapon in using people as a differentiating factor for the business.

2.3.3 Positioning by Adding Value to Customers

Payne (1993 p96) found that positioning is heavily dependent on the ability of the firm to differentiate itself from its competitors effectively. Offering superior value to customers could differentiate a company effectively. He further defined "superior delivered" value as being the total value offered to the customer, less the total cost borne by the customer (Payne, 1993 p 94). He also suggested that the positioning of a service includes establishing a value for the service in the mind of the customer. It must be distinguishable by an attribute that is important to the customer. These attributes should be the important criteria that the customer will use in a purchase decision. For example, Standard Bank's marketing campaign focused on doing things better, faster and simpler; these are criteria that will affect a customer's purchase decision.

There are important insights a service marketer must have. One is that the purchaser of a professional service buys the capabilities of the seller (Payne, 1993 p98). It can therefore be expected that the purchaser will evaluate the behaviour and characteristics of the service firm's manager or its employees when making a purchasing decision. This will include evaluation of the business itself, its location, reputation and appearance. It is fundamentally important for businesses to be breeding a service culture, i.e. a culture that

focuses on serving and satisfying the customer first and foremost. The area in which most businesses lack is that of breeding a service culture outside of the marketing department. This culture should begin with top management and flow down throughout the organization (Irons, 1994 p 46).

2.4 CUSTOMER CARE

2.4.1 What is meant by Customer Care?

Before examining this subject Wellemin (2003 p7), finds it appropriate to first determine the purpose of a business. The immediate answer to this by many companies would be, “to make a profit”. It is important that these companies look into this simple statement more deeply. In order for a business to generate a profit, it needs to satisfy its customers’ needs at a price that the customer is willing and able to pay. The organization must also be able to supply goods and services at a cost which allows for a reasonable profit margin. Hence, according to many business guru's and successful companies, the key to success lies not only in having a good product, but also in being able to provide the customer with the level of service they desire (Cook, 1999 p2).

Although these facts have been recognized, further value can be added to products and services by ‘non-product activities’. These activities take on the form of customer care which consists of a variety of tangible and intangible elements. Tangible elements are the factors which can be seen, felt, heard or tasted. Many of these factors can be measured easily as they are often based on skills which can be taught and learned. In his book, Wellemin includes product features such as size, weight and colour as examples of tangible elements (2003, p9).

Intangible elements are much more difficult to define and measure and are more subjective. They are highly dependent on attitudes which can be influenced but not taught. Examples of intangible elements include making the customer feel secure, relaxed and trusting (Wellemin, 2003 p9). These characteristics (which will be discussed in greater detail later on) of customer care are the foundations which influence the implementation of principles that lie at the heart of any customer care strategy.

In turn, this leads to the creation of superior customer care within an organization, provided that every employee fully comprehends and is prepared to utilize these characteristics as the basis for the successful development and implementation of a customer care programme. In this perspective, customer care may be defined, “as the correct implementation of customer care principles in such a way which enables an organization to differentiate itself from its opposition in the hearts and minds of customers thereby putting itself in a more advantageous position in the marketplace” (Canning, 1999 p123).

In understanding this concept, customer care can be further created and maintained by ensuring that a culture exists throughout the organization, whereby everybody understands that the customer comes first and can think and act in terms of the benefits that can be brought to the customer via the task they perform. It means teaching and coaching everyone to think in terms of solving customers’ problems and exceeding their expectations. Moreover, customers’ long-term expectations and interests must be kept at heart.

2.4.2 Significance of Customer Care

Today we live in an era where South African and international companies abroad must rethink their approach to conducting business. In his book, Dorrian quotes “The work that must be done to elevate South African standards to that which is required to play the global game must not be underestimated” (1996, p15). Managers are constantly being swamped by a plethora of business management techniques, continuous improvement programmes and quality control programmes. It is almost as if a new craze has hit the business community, yet, it is these same organisations that are notorious for ignoring the very people who make their existence possible.

The above-mentioned development programmes are important in assisting companies to improve but will be impotent in a highly competitive arena if customers are not cared for and their expectations not exceeded. Hence, all business improvements should be customer care driven. Without customers, management teams would have no need to

embark upon programmes designed to make their companies more efficient, technologically advanced or profitable. Therefore, an organisation's entire infrastructure should be adapted to take care of customers.

Dorrian goes on to say that, "the level of care an organization provides its customers with, is a reflection of that entity's culture which, in turn, reflects the society in which it exists" (1996, p16). Traditionally, our country has been authoritarian and until recently, a repressive society. Unfortunately, this has been carried over to the manner in which business is conducted. The lack of caring in the business sector, particularly customer satisfaction and employee relations perspectives has resulted in many companies not reaching their true potential and sadly lacking in competitive spirit.

Examples of poor customer care experienced by consumers include; slow delivery, bad quality, incorrect deliveries, inadequate administrative follow-up, poor communication, inadequate product knowledge, poor sales representation and a general lack of interest. Hence, organisations need to change rapidly to not only become competitive in the domestic market but also in the ever so fierce international arena. Recently, different kinds of organizations such as business entities, hospitals, government institutions and non-profit organisations are realizing that the key to their growth and development lies in having a caring attitude; after all it is human nature that people prefer dealing with those who care (Lovelock, 1984 p 344).

2.4.3 The Characteristics of Customer Care

To understand the power of customer care and the potential for its use in creating a sustainable competitive advantage, it is necessary to consider the fundamental characteristics that influence its use. Without these characteristics, creative thinking in customer care will prove to be difficult and run the risk of being misdirected.

In his book "Intensive Customer Care", Dorrian (1996, p39) says, that before being able to develop any strategic thinking utilizing customer care concepts, it is imperative that the characteristics which affect the implementation of meaningful and successful programmes

be understood. Sound strategies can be formulated on these foundations. He further explains this point by using an example of a builder; “As a builder would lay solid foundations in the process of building a house, so too must a business manager fully understand the characteristics associated with customer care to maximize his or her efforts in generating customer loyalty” (Dorrian, 1996 p40). Wellemin (2003 p10), explains the characteristics of customer care as follows:

1) The first characteristic is that customer care is *intangible*.

It has no physical attributes and can therefore only be experienced. This means that a customer will formulate impressions and opinions about a company based on his or her experiences with it and, in particular, with employees. Therefore, it is crucial that these experiences are pleasant ones. Moreover, these experiences help formulate the degree of confidence that customers will have in the organization (Dorrian, 1996, p39). Customer confidence is built at three interrelated levels.

The first is where the customer needs to have confidence in whomever he or she meets from the organization. From junior staff through to the managing director, every customer needs to have confidence in that person as a human being who actually cares. Once this first level has been established, the customer can then assess the degree of confidence he or she has in the company and in the goods and services it provides.

As soon as that takes place, the customer moves onto the third level of having enough confidence to be a decision maker. In other words, the customer believes he or she is doing the correct thing by purchasing from the company. These three levels play an integral part in the development of customer care strategies. At each step along the way, customer loyalty and retention has a better chance of taking place if the customer feels confident about his or her entire purchase experience. It is important that these three levels be attained each time a customer is exposed to the organization. Superior customer care can help make this become a reality (Dorrian, 1996, p40).

2) The second characteristic of customer care is that *it is perishable.*

Put simply, the customer's encounter with the company on any occasion must come to an end. The moments spent with the customer are therefore, critical as he or she will evaluate the degree to which the company cares about their needs. Many frontline employees fail to think about the importance of each meeting with every customer, no matter the amount of time spent (Dorrian, 1996, p41). This has vital consequences for customer care strategies, which will follow in the literature below.

3) The third characteristic concerns *the lack of forward demonstration.*

It is virtually impossible to demonstrate customer care in advance of the interaction with the customer. For example when one buys a motor vehicle, the salesperson usually allows the prospective purchaser to take the vehicle for a demonstrative drive. However, when one deals specifically with something as intangible and perishable as customer care, no such luxury is forthcoming (Wellemin, 2003, p12).

Since customer care requires human interaction and is dependent on the service provider's attitude at that particular moment, the degree and type of customer care cannot be demonstrated in advance. In other words, the customer experiences it as it is provided. In instances where technology has been introduced as a service provider, human interaction becomes more important in ensuring that customers are satisfied to such a degree that the organization can be differentiated from its competitors. After all, it is human nature for people to feel more confident knowing that there is someone to take care of matters for them.

Canning (1999 p 127), concludes that there is no substitute for "the personal touch". A significant point from the above mentioned is that once a service has been provided it can never be brought back again. It is for this reason that every interaction with the customer must be pleasant, meaningful and delightful. Thus, employees' interactions with customers must be performed properly the first time, every time, all the time.

4) The fourth characteristic of customer care is that **the level of service quality has to be consistent and has to be thought out well in advance.**

This is perhaps the most challenging part of any customer care programme, because it is almost impossible to standardize the level of care and attention given to customers throughout the organization. Different customers, apart from having different needs and personalities, view the organization differently from one another; hence, their experiences and reactions will differ. Nonetheless, employees should be equipped with the correct techniques and proper training to interact with the customer proficiently so that each customer has a memorable experience with the organization and its employees.

5) The fifth characteristic of customer care is that **no ownership transfer exists with customer care.**

In other words, a customer cannot take an example of bad customer service and give it to a third party in the hope that that person will have better luck. However, what the customer can transfer to another person is his or her thoughts and opinions about the experience. Therefore, customer service should always be defect-free in order to encourage customers to speak favourably about that service to others.

These characteristics are the building blocks of good customer care practice. It is essential that they be shared amongst employees at all levels of the company and be built into company training programmes. Moreover, they should form the foundation of all strategizing in customer care as they are the basis for future thoughts.

2.4.4 The Growing Importance of Customer Care

Wellemin, (2003 p12) considers the following reasons central to the growing influence of customer care in a buyer's purchasing decisions:

- Competition – Competition gives customers greater choice and they will therefore become more selective and knowledgeable about other suppliers of goods and services. It is only natural that where there is an attractive market, competitors

will seek to obtain profitable business. The newcomer may sometimes even have an advantage because he may have benefited from the experience of an established supplier. As the newcomers start from scratch, they can make use of the latest equipment, techniques and systems and can select staff to fit the image they wish to create. Competition should not be regarded as something negative; rather, it should be seen as a positive force that pushes a firm to become more efficient and customer orientated.

- Better Informed customers – Today's customers are more acquainted with various goods and services than they used to be, partly because of the above-mentioned competition and due to extensive studies conducted by consumer groups, professional associations and other institutions. The media also tend to discuss some of the merits and demerits of various products and services. In addition, a great deal of information is available over the internet. The emphasis put into competitive advertisements also increases customers' further awareness of aspects they should consider when making their purchasing decisions.
- Product Similarity – From the customer's point of view, it is difficult to distinguish one company's goods and services from those of competitors. They often use the same components and perform the same tasks in a similar way. Wellemin uses the computer industry as an example where a large number of computers use the same software programs. He states that one of the few ways an organization in that industry can differentiate themselves from competitors is by means of the image of customer care that they can build up and the reputation of customer support that they have earned over the years (2003 p15).
- Rising Demand for Improved Support – Along with the choice of suppliers that are now available, customers demand improved support. Wellemin generalizes that with a higher living standard, customers are willing (and able) to pay for improved support (2003 p15). For instance, in the past a customer may have been willing to wait a week or even two for a telephone to be installed, whereas nowadays he/she may expect it to be done in a few days.

- Life-cycle Costs – As many of today’s goods are technically more sophisticated, customers have become more dependent on the continuous support from the selling organization to keep the goods purchased in operation. Consequently, customers are increasingly looking at the life-time costs and the ability of a business to support its products efficiently throughout the life of that product (Wellemin, 2003 p16). For example, when a customer purchases a vehicle, he or she will be interested in the maintenance of the vehicle, what costs are involved in the actual buying it, fuel consumption and the value after a certain number of years.

2.4.5 Utilizing Customer Care to Identify Customer Needs

When it comes to customers, whether they are final users or intermediaries, it is beneficial to satisfy both their real and perceived needs as this enables a company to gain a competitive advantage by catering for their perceived requirements, which may allow that firm to charge a premium price (Wellemin, 2003 p25).

An organization can set about identifying these needs by questioning customers and discussing their needs to understand clearly what they want. Any business following this route to satisfy their customer needs would be at an advantage compared to organizations that do not. Wellemin (2003 p27), lists a range of approaches that can be used to determine customer needs. These include:

- Direct discussions with customers
- Feedback from staff
- Analysis of customer complaints and comments
- Market Research
- Surveys
- Questionnaires (written, telephonic, personal interviews and the internet)
- User-group discussions
- Customer audits
- Attitude surveys

- VIP visits to the organization

These alternatives can be used singly or in conjunction with one another and in some cases (e.g. attitude surveys) the trends are more important than the absolute figures. Some companies are concerned that their customers will not be willing to discuss their needs with them but, in practice, customers are willing to let firms have this information if they believe it will be utilized. Therefore, it should be the initiative of the organization to build a strong and trusting relationship with customers so that they realize that the firm is sincere in their desire to satisfy their needs and establish a genuine partnership with them.

The quest for updating knowledge of customer needs and satisfaction of these needs is never ending and continually changing. These changing requirements are influenced by the changing needs of customers, the markets and, by the enhanced offerings provided by competitors. In his book, Wellemin quotes, “Yesterday’s outstanding performance becomes today’s standard and will be unacceptable tomorrow” (2003 p28). Thus, it is imperative that should a company want to succeed in their aim to satisfy customers, they must stay at least one step ahead of competition.

2.4.6 Value Added by Customer Care

Lucas (1995 p25) believes that customers usually are not looking for the cheapest products or services with its connotation of low quality; rather, they seek the perception of ‘best value for money’, which entails a much broader view of their needs. Some of these requirements may be real while others are imagined but, to the individual customer, the imagined need may be as important as the real one.

At the same time an organisation’s goods and services, in most instances, are not unique and therefore, the typical customer will examine a number of other suppliers and their offerings to find those goods or services which, in the customers perception, satisfies most of his real or imagined needs. A business enterprise should also be able to satisfy additional customer needs at a cost that the customer is willing to pay and which will be

seen by the buyer as a sufficient reason to use the organization or warrant the price of the goods or service. The customer sees satisfying these additional needs as adding value to the basic product or service involved.

The aim of customer care is to make all customers feel good about doing business with the organization involved (Cook, 2002 p17). Because of customers and their perception of feeling important, the organization must treat each customer as an individual and show them that they are significant. Adding value through customer care is therefore a question of doing individual jobs as effectively as possible and keeping customers' needs in mind when performing tasks.

2.4.7 Superior Customer Care can provide better Differentiation

Companies throughout the world find themselves doing business in an era where it is easier than ever before either to be copied by a competitor or to copy a competing firm. Technology transfer, product design, packaging, pricing and promotion are all areas that attract customers. Uniqueness in the marketing mix has, therefore, become more difficult to achieve. However, customer care is one area that is extremely complicated to duplicate as people provide it.

This holds true as it is not uncommon for organisations in the same industry that display similar characteristics to demonstrate differing levels of competitiveness as a result of their attitude to customers. Companies can therefore differentiate themselves from their opposition by the degree of customer care they provide.

Dorrian (1996 p34), stresses that, although as important as they are, "the battle for market share does not take place in the organisation's offices, between sales representatives, marketing managers or quality specialists, but in the minds of customers. Canning (1994 p17) also shares the thought that if customers believe that a company is better because it cares more about them than the opposition, that company has a better chance of developing a stronger degree of customer loyalty. Intensive customer orientation and focus can achieve this. Adopting a caring attitude extends to the manner in which negative situations are

managed. Dorrain (1996 p35), leaves the reader with the following thoughts of customer care as a strategy to company differentiation:

- Customers who complain are more likely than non-complainers to purchase again from the company, provided their complaint has been resolved.
- Customers who have complained and have had their complaints satisfactorily resolved tell an average of five people about the treatment they received.
- On average about 96% of all unhappy customers never complain to the company about discourteous treatment they receive. Organisations that do receive these complaints should be grateful as they are given the opportunity to rectify weaknesses.
- Customers who are dissatisfied with service received are unlikely to return.
- Every unhappy customer's negative story will be shared with at least five other people.
- Of the customers who cease doing business with a company, a certain percentage will do so because that company displays an attitude of indifference towards them.

Having said the above, it is imperative for every organization to understand the significant role of customer care in the business environment and how companies failing to implement such programmes can become vulnerable and eventually fail.

2.4.8 Developing a Customer Care Strategy

As mentioned above, if an organization achieves a high degree of customer care and focuses on new and innovative ways to look after and care for its customers, it will be most difficult for it to be outmanoeuvred by its opposition. This will immediately place the organization in an advantageous marketplace position relative to competition. Having one's finger well and truly on the pulse of customer expectations provides an indication of how those expectations can be exceeded. When this is achieved, customer loyalty becomes the competitive edge.

This section of the literature review will focus on the components and process of developing a customer care strategy and will identify the various steps required to ensure a winning scenario.

2.4.8.1 The Strategic Service Vision

One of the most important aspects of strategic planning is to decide on the direction the organization should take in the future. Author Paul Dorrian believes that, “Determination in embracing the philosophy of customer care demands that it be implemented in the context of the company’s strategic planning initiative” (1996 p52). ‘Direction’ in this context refers to which markets the company wishes to enter, how it proposes to serve them and what will its competitive advantage be in relation to its competitors. It is therefore only proper and prudent that customer care be included in and become an integral part of the company’s strategic plan.

The first step to ensure a customer-orientated strategic plan and the formulation of a culture of customer care within the firm is for the senior management team to craft a service vision statement for everyone to use as a point of reference. This can be done separately or as a clause in the mission statement of the organization. To create a valuable and practical service vision statement, it is advisable to speak to customers via market research to identify their expectations of the company. After all, if the service vision statement is going to guide employees towards providing a level of service and customer care that will outshine competition, it is logical that the best advice will come from customers themselves.

Although the service vision encapsulates top management’s attitudes towards and desires for the level of service the company will provide to customers, other departments should also be consulted. This will encourage and assist in creating internal harmony, the result of which will be improved service to the company’s customers. The service vision is the first step in building a culture of customer care in an organization. It should be communicated throughout the entire company, at all

levels. This vision should also be reinforced at every opportunity and be formulated in such a way that informs all employees of management's expectations.

Unfortunately, in many firms many half-hearted training and development programmes lack the proper drive and support from upper management. It is for this reason that management must be 100% behind any customer care programme introduced in the company (Dorrian, 1996 53).

The organisation's vision of customer care will also have implications for the positioning of the organization in the marketplace. To a large extent, the strategic vision will clearly lay down the expected behaviour from employees toward the business's customers. It therefore, provides the organization as a whole with a particular perspective of the service to be rendered and it is crucial that it be communicated to customers via employees' interaction with them. This in turn will create a favourable picture in the minds of customers. Not living up to the expectations as set out in the vision will have the reverse effect.

2.4.8.2 The Service Triangle

In his book "Intensive Customer Care", author Paul Dorrian explains that the most appropriate way to illustrate the basis of a customer care strategy is to examine the popular service triangle concept which places the key components in perspective (1996, p54). The triangle below illustrates that there are four components to a successful customer care strategy.

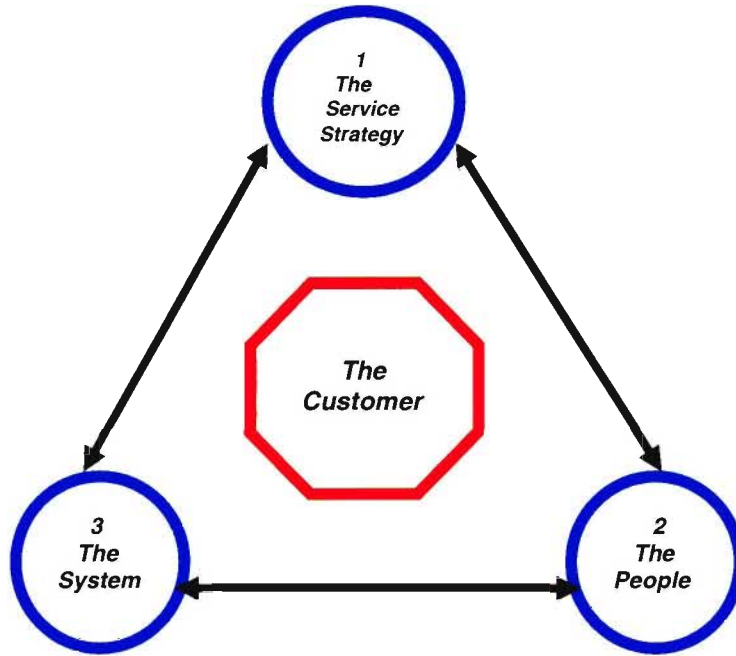


Figure 2.6: The Service Triangle - (Dorrian, 1996 p54)

Firstly, the strategy itself is the course of action that the organization must employ to outmanoeuvre its competitors in the fierce marketplace utilizing customer care principles (Dorrian, 1996 p55). In other words, the customers must benefit from the specific customer care ideas that a specific organization generates and implements. Furthermore, the ideas must mean more to a customer than the customer care initiatives of a competitor.

Secondly, it is essential that employees be a part of the strategic process since they come into direct contact with customers and will eventually implement the customer care strategy. While the service vision should be brought to the attention of all employees to obtain feedback and to motivate them to adhere to the process, the same holds true for any specific customer care strategy or programme that is formulated. Organizational personnel should always be motivated to make any programme successful, or it will never get off the ground (Canning, 1999 p56).

Thirdly, there are the company's systems. Every organization functions through a number of systems such as sales, marketing, financial, management, purchasing,

production and so on. These systems must be compatible with the expectations of the marketplace. Businesses today often place invisible barriers between themselves and their customers. For example, not returning telephone calls, service engineers not arriving at an appointment on time, telephones taking a very long time to be answered or perhaps not being answered at all, callers being put on hold indefinitely and so forth. One of the biggest barriers to the provision of superior customer care is the shortage of employees available to attend to customers (Stamatis, 1996 p 32).

Customer care ought to be considered from a holistic perspective and not left to the sales or marketing department only. Even a company's outside suppliers can influence a customer's view. In many organizations, the perception exists that customer care is the duty of frontline line employees only or believe it to be simply a case of answering the telephone correctly and being polite to callers. In fact, customer care is the responsibility of every individual in the firm. The risk of not adopting a holistic approach to excellent customer service and customer care is that demarcation could raise its ugly head in the face of competition.

Usually, problems such as the ones mentioned above are as a result of a sloppy system or systems that have been designed to benefit the company rather than the customer. The most exigent aspect of the service triangle is to ensure that the systems are compatible with the strategy that is being pursued. If necessary, the systems should adjust to accommodate the service strategy and, never should the strategy change to accommodate the systems (Dorrian, 1996 p57). In other words, the organizational team should be prepared to change the way things are done if it will better serve the organization's customers.

The most important component of the service triangle is the customer. Marketing gurus Etzel et al (1997 p571) say, "In today's highly competitive global environment it is no longer enough to satisfy the customer's needs – we must delight them". Put simply, any customer care strategy, people and systems must reflect the entire company's intent toward satisfying and delighting its customers.

2.4.8.3 The Service Audit

Dorrian (1996 p57) suggests that the best way to develop a customer care strategy is to conduct a service audit. The objective of such an exercise is to ascertain where a company is situated at any given time as far as customer care is concerned. The service audit seeks to answer managerial questions such as, “What kind of service are we giving our customers”? and “How does it compare with that of our rivals”?

More specifically, it should ascertain the degree to which personnel are customer care orientated. Hence, before a customer care strategy can be formulated and implemented, the current level of customer service emanating from the company should be examined. A well-known business adage states that where an organization wishes to go is dependent upon where it has come from and where it currently stands in the marketplace.

There are two kinds of service quality which influence a company’s image in the marketplace. The first can be termed ‘technical quality’- pertaining to the technological aspects of the company, which enable a firm to function. For example the availability of computers at banks. This quality is easy to manage as the correct technology can be purchased and the properly trained people can be recruited to operate it.

The second is people quality, which includes all the factors that influence the level of customer care and service a company provides to its customers through employees. This refers to the human attitudes and perceptions of staff, interdepartmental and intradepartmental relationships and the impact made by employees on the customer. These factors are difficult to control and manage as they depend on humans.

Ideally, a service audit should be conducted at least twice a year and should be treated as a double-edged sword; one side generating information that can be used to effect improvements in service quality, the other taking that information and treating it as an input for longer-term strategic thinking. Hence, the company benefits from both sides.

The audit should be conducted by an external consultant who is independent of the company and who can provide a totally objective assessment. This avoids employees being prejudiced and is a practical way to improve the level of quality service offered.

CHAPTER 3

OLA MILKY LANE

3.1 BACKGROUND OF THE ORGANISATION

Since its launching in 1958, Milky Lane has led the field in innovative ice cream eating experiences with fast, friendly service and quality products. Ola acquired the Milky Lane brand and franchise network on 1 June 2003 and “Ola Milky Lane” was born. Ola Milky Lane takes South Africa’s leading retail ice cream brand into the future, transforming the traditional ice cream parlour into a fun, modern “time out” destination. The organisation’s continuous plan is to build a world of indulgent taste experiences in a branded lifestyle.

The firm offers a range of indulgent products ranging from spinners, a unique concept which blends soft serve with chocolate, nuts, fruit confectionery and other tasty ingredients, to sundaes, sweet and savoury waffles and specialty coffees. The core ingredient is soft serve ice cream, which is used as the base for many of the menu products. *Ola Milky Lane* brings together:

- Milky Lane – the country’s longest established and most successful retail ice cream brand, with close to 100 outlets in South Africa.
- Ola – a division of Unilever South Africa and subsidiary of Unilever, a world-class leader in fast moving consumer goods. Unilever’s ice cream division is a global ice cream leader, with a presence in 95 countries, as well as over 6 000 retail ice cream outlets worldwide.

The partnership retains the franchising system that made Milky Lane a market leader, while adding Ola’s advanced marketing, innovation and ice cream supply systems. Ola also has the power of international brands like the Ola Heart Brand, Magnum, Cornetto and Paddle Pop. On the operational side, Ola Milky Lane is co-managed by Retsol, a team of entrepreneurs with a proven record of accomplishment in South Africa and surrounding countries. This

management team gives franchisees access to the most professional operations and support systems and ensures the long-term success of the brand.

In addition to this, the professional support system assists franchisees across the country on every level. From initial site selection, planning, design and training, through to the day-to-day management, development and marketing of the business. Ola Milky Lane is also a member of the Franchise Association of South Africa (FASA), which is a professional body that is committed to raising the level of professionalism in the franchise industry. The Franchise Support Structure consists of:

- Site selection and outlet construction
- Procurement team
- National distribution network
- Marketing team, with international resources
- Product development team
- Operations team
- Training team
- Financial and Administration team

3.2 VISION

“Africa’s leading indulgence experience provider through an enthusiastic and proud team of entrepreneurs enjoying sustainable growth”.

3.3 MISSION

“At Ola Milky Lane we believe that life, like ice cream is for enjoying”. “In our world, there are no rules. Express yourself, Surprise yourself”.

3.4 THE ORGANISATION'S PERCEPTION OF A CUSTOMER

According to the MAXX Manual – Maintaining Extreme Excellence (induction and training guidelines), the firm perceives a customer as an “individual in the community who chooses to visit our store and spend his or her hard earned money with us”. The organization believes that customers have a choice and it is up to their team members to attract these consumers to spend their time and money in their store and not with competitors. Hence, they strive to attract people to their store environment, ensure they become customers and maintain their loyalty and repeated spending power with the organization. The firm strongly believes that `customers are their golden nuggets`. Their reason being, a store can have the most exclusive design and layout, most up-to-date equipment, a superlative advertising campaign, smartest dressed team members but, all of this counts for naught without having customers visit the store. Hence, customers ensure the success of any business and without them no business exists.

3.5 THE ORGANISATION'S PERCEPTION OF CUSTOMER SERVICE

The organization believes that customer service is not merely the act of satisfying or meeting the needs and expectations of their customers but rather superseding them. It is the giving of an intangible asset, namely quality of service, in such a manner, that customers are left with an experience that they wish to have repeated. Their expectations should be blown away and the experience of products and service should be taken to another level, to the extent that they cannot wait to repeat and share with friends or family.

According to the MAXX Manual, customer service does not merely start or end with only a waitron. While it is essential for a waitron to have superior customer service skills while interacting with customers as they generally are responsible for taking an order and delivering the finished product to them, team members “behind the scenes” also need to have customer service skills. Franchisor Craig Mackenzie quoted, “Having a team with a passion and desire to deliver world-class service to customers ensures a most successful store”. In short, superior customer service is the responsibility of the entire team.

3.6 THE CUSTOMER CARE PROGRAMME

3.6.1 Introduction into the Customer Care Programme

Customer expectations have changed noticeably in recent years. No longer is “good” service a competitive advantage but rather increasingly becoming a minimum expectation of customers. The challenge marketers face is to exceed customer expectations with a standard of professionalism that guarantees an excellent in-store experience. It is also pivotal in today’s industry to differentiate the organization from competition via team members; hence, an increasing importance needs to be placed on the service and selling aspects of operations.

The customer care programme used by the participating firm is designed to equip individual stores and team members with an understanding of what the programme’s reasoning is, its objectives and the ultimate goal is to assist the efficient and equivalent management of all stores. The customer care programme is ideally about having the right attitude. Hence, the motive for introducing this programme is to empower team members with the tools and knowledge to `sell well`, combined with a positive service attitude which will create an environment where they will consistently meet and exceed customers’ expectations.

The customer care programme has therefore, been designed:

- To drive performance improvement in the customer service and sales skills of team members
- To provide a platform for increased measurement and accountability
- To motivate, recognize and reward sales and service excellence
- To make the company the “preferred shopping or eating destination”.

The programme is developed using the combined knowledge and expertise of internal and external resources and experience from similar programmes currently

run in the retail sector. This has allowed the customer care programme to be tailored to the specific sales and service standards of the franchised store.

3.6.2 The Customer Care Process

The main aim of the programme is to measure individual customer service and sales performance in the following key areas:

1. Store and team member appearance
2. Opening the sales process
3. Probing skills to determine the customers wants and needs
4. Closing the sale
5. Transaction skills
6. Thanking and farewelling the customer

3.6.3 How the Customer Care Programme works

Beginning in January each year, and every quarter thereafter, a mystery shopper visits each franchised store and completes a customer service survey. The mystery shopper is representative of a typical customer and is well versed in the principles of service and the sales standards that should be adhered to. The shopper has a specific brief on what to buy and against what to measure a team member.

The shopper's primary focus is evaluating the selling skills being demonstrated by the team member. The shopper makes his purchase, leaves the store and completes his assessment of the service encounter, along with individual comments about his personal experience. It is important to remember that the shoppers are not there as policemen or professional shoppers but rather to ensure things are done 100% right. They simply observe and record any deviations from the set standards.

These results are then collected and converted into a detailed reporting system for management to use as a rewarding, coaching and training tool. The customer care programme is designed to measure a store's customer sales and the quality of service performance, together with operational and retail compliance functions. Although many of the questions are based on basic quality service standards, they have also been further developed to meet the participant's specific service and sales standards. This helps to identify areas of opportunity or potential improvement.

3.6.4 Management of the Programme

The customer care programme implemented by the firm is run and monitored by Market Pulse South Africa. This is a Cape Town based company that specializes in sales and service measurement. It is a subsidiary of Market Pulse International, which is based in Auckland, New Zealand. Since the opening in 1989, Market Pulse International has become one of the leading providers of customized Mystery Shopping programmes in various countries including South Africa. Some of their South African clients include Caltex, Bradlows, Steers, Debonairs, House of Coffees, Totalsports, the Foshini Group, Markham's and Spar.

Market Pulse enforces the various measures to ensure that the highest quality data reaches the store. For example, mystery shoppers are chosen according to a profile that reflects the company's customer base and target market. Shopper rotation (i.e. the same shopper does not survey the store upon every evaluation) ensures that anonymity is maintained and the results are representative of a broad customer base. This aids in maintaining the credibility of the data collection process.

3.6.5 Reporting the Findings

The results of the survey are distributed to each store after each mystery shopper visit. The results serve as a means of encouragement and direction rather than enforcement and discipline. Team members are advised not to react to any negative comments or observations, but rather to respond in a carefully considered and

constructive manner which will keep team members motivated and positive toward the customer care campaign.

After each mystery shopper visit, the subject store receives an illustrated and graphical report of the observations, together with the store's score, comments and recommendations, if any. The report will include the following information:

1. The store's current survey score as well as historical or year-to-date information.
2. Comparative national information i.e. how well the store is doing against other franchise stores (rankings of the store).
3. Detailed results of how staff members and the store performed per question.
4. Documented shopper commentary to accurately assess the training needs and identify appropriate forms of job coaching and recognition.

3.6.6 Recognition and Rewards of the Customer Care Programme

The most important element of the campaign is the way the store deals with both good and poor performance. The aim is not to ridicule or rebuke but, rather to provide meaningful coaching and instructions that will ensure those behaviours are not repeated. Where an individual achieves a high level of performance appropriate rewards and recognition should be given to reinforce those behaviours. The following awards are suggested to be given to team members who demonstrate outstanding service:

- Team members who achieve between 90% and 99% in a survey should receive a personalized letter of congratulations
- Team members who achieve 100% in a survey should receive a personalized letter of congratulations and a cash prize which will be sponsored by Retsol at a Rand value to be determined prior to the commencement of the programme

Just as individuals should be recognized when they execute exceptional quality customer service, so too should the team members that train, encourage and assist that individual.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter discusses the steps that were followed to develop the methods and procedures used for answering research questions and the objectives of the study.

4.1.1 Purpose of the study

The aim of the research study was to investigate whether Ola Milky Lane – Liberty Mall is or is not meeting their customers' perceptions of the business with regard to specific key attributes of quality customer service.

4.1.2 Objectives of the research study

1. To establish whether key attributes of quality customer service as perceived by customers exist at Ola Milky Lane.
2. To identify which of those perceived attributes of quality service customers of Ola Milky Lane consider as being most important.
3. To determine whether the level of quality service received by customers of Ola Milky Lane influences their perceptions of the organisation.
4. To establish whether gaps exist between the expected level of service and actual level of service received by customers.
5. To identify the reason/s for the presence of any existing gaps.
6. To determine how these gaps can be reduced.
7. To identify further processes, if any, which can be implemented to continuously refine or close the gaps that exist.

4.2 RESEARCH METHODOLOGY

Taking into consideration that the aim of this research was to investigate the perceptions held by customers based on the level of quality customer service received, the researcher conducted the study as follows:

4.2.1 Research Design

Every research problem is in some way unique and will invariably require careful planning and execution. However, a number of elements are common to most research processes. A research design is the detailed blueprint used to guide the research study toward its objectives (Edmunds, 1996 p 45). The process of designing one involves many interrelated decisions. The most significant decision is the choice of research approach, as it determines how the information required will be obtained. For purposes of this study, integrated steps were followed when planning the research project. This is known as the research process, extracted from Martins et al (1996, p80).

Adapted from Martins et al (1996, p80), are the steps that were followed during the research study:

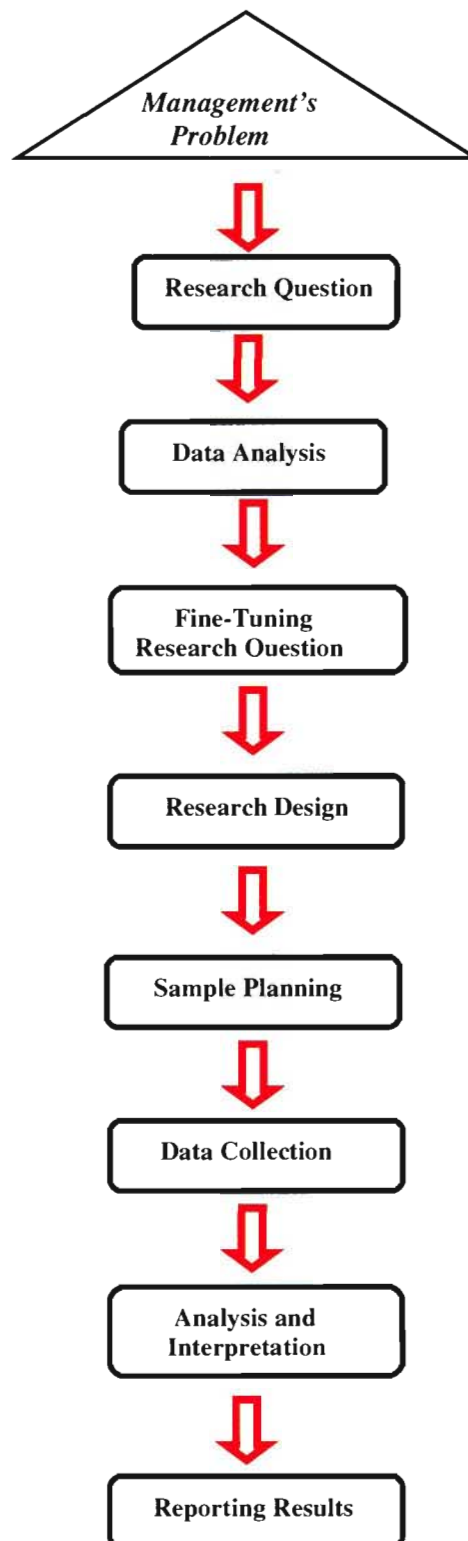


Figure 4.1: The Research Process – (Martins et al, 1996 p80)

Step 1: Identifying and Formulating the Problem

The initial phase of the research was the identification of the problem to a level that was clearly formulated, so as to direct and guide the rest of the research process. Here, the researcher found it useful to state the problem that instigated the research. From this, other research questions were developed by breaking down the original question into more specific ones. Once the research problem was identified, it was then translated into a single research question (hypothesis) that best stated the objective of the study.

Step 2: Deciding what Data are required

Due to the nature of the study, exploratory research was undertaken to investigate the concept of service quality, as no previous research has been conducted in this specific area by the participating firm. This involved conducting primary research in the form of questionnaires to uncover perceptions and attitudes toward the organisation. In addition, since there was little prior knowledge to build on, the researcher instigated the study without preconceptions as to what might be found.

Step 3: Revising and Fine-Tuning the research question

According to Martins et al (1996, p86), the refined question would provide a better focus and shift the research forward with greater clarity than the original question. Activities included in this step were:

- To review the research questions with a view to breaking them down into more specific level questions.
- To ensure that the research questions were relevant to the research problem.
- To consider what evidence should be collected to answer the research questions and objectives.
- To set limitations, if any, by stating what would be part of the problem and what would not. This would ensure that the study remained consistent and focused on the primary objective of the research study.

Step 4: Designing the Research Study

According to Martins et al (1996, p87), the research design provides a blueprint for reaching the objectives of the research and answers questions that originate from management's problem. Selecting an appropriate research design is often complicated by the availability of a variety of methods, techniques and procedures. The research design which was adhered to throughout the study was adapted from Martins et al (1999, p80) as illustrated in figure 4.1 (page 79).

Step 5: Determining the Sample

Essentially, this step in the research process enabled the researcher to identify the target population and determine the sample characteristics, i.e., to determine how many people should be interviewed or questioned and who they should be. Initially the researcher found difficulty in determining the sampling method to be used. After much consideration and for purposes of this research study, the sampling method that was used is that of non-probability sampling, also known as convenience sampling. The utilization of this sampling method enabled respondents to be selected based on the convenience or availability on their part.

Respondents were "self-selected". Some were more interested in the research as they may have had more time at their disposal rather than chosen respondents. Their differing personalities, opinions, preferences and attitudes proved to be a useful tool in the exploratory phase of the study, where ideas and insights are important rather than objectivity (McCormack & Hill, 1997 p 53). At the same time, this sampling method posed problems later on, resulting in limitations to the research. An anticipated drawback was that the results would not necessarily be representative of the total population. The sample size consisted of approximately 230 participants, both take-away and sit-down customers.

Step 6: Data Collection

The method utilized in this stage determined the way in which the data was collected and the different implications, each method having its own unique advantages and disadvantages. Again, exploratory research was undertaken as little research has been conducted in this specific area by the firm. Hence, primary research was conducted in the form of questionnaires to uncover perceptions and attitudes of customers. Questionnaires were also used to accommodate the large sample as it best facilitated the communication of the perceptions held by customers.

The questionnaire consisted of both structured and unstructured questions, such that sufficient data could be collected. Dichotomous and Multichotomous (multiple-choice) questions were used in the questionnaire. Dichotomous questions offered only two fixed alternative answers to a respondent for example, “Yes”, or “No”. Multichotomous questions, on the other hand, offered respondents more than two fixed-alternative answers (Martins et al, 1996, p221).

Dichotomous questions were used to collect demographic data. The closed-ended or structured questions that were included took less time to answer than unstructured questions. Responses were directly comparable from one respondent to another (assuming each participant interprets the question in the same way). Likert scales (attitude scale) required respondents to indicate their degree of agreement or disagreement with a statement or their levels of satisfaction toward the service offered (Schiffman & Kanuk, 1994, 37). The sum of these statements revealed the attitude to or the perception of quality service offered at the participating organisation. Lastly, structured questions with unstructured or open-ended responses allowed respondents to offer their own answers in their own way and to provide additional information on their perceptions.

Step 7: Analyzing and interpreting the data collected

After the data was collected, captured and edited, the information was analyzed and interpreted in relation to the original management problem, using the statistical programme SPSS. Respondents were asked the above mentioned types of questions which were then analyzed individually in relation to the objectives of the research study. Coded responses were then entered into the statistical programme for data analysis. Frequency tables and pie charts were generated to determine the total number of responses to each question and the total number of respondents was used as a base for the calculation of relative percentages. The process of interpretation was primarily one of logical thinking, coupled with the ability to draw logical conclusions.

Step 8: Reporting the Results

This was the final stage of the research process, where the results of the research were stated in relation to the objectives of the study. The results were transferred and edited to a word document in the form of frequency tables and pie charts. This assisted the researcher to form an understanding of the proposed value the research may hold. This stage included the overall profile of the sample, starting with demographic details to the attributes of quality customer service.

4.3 RELIABILITY

Sekaran (2000 p308) states that the reliability of a measure is established by testing for both consistency and stability. Coakes & Steed (2002 p140), state that there are a number reliability coefficients. One of the most commonly used is Cronbach's Alpha, which is based on the average correlation of items within a test if the items are standardised. For purposes of this study, Cronbach's Alpha was calculated as part of the reliability test to assess how valid the results were and whether the results can be generalised if the sample size is increased. A value of 0.7 or higher is a very good value that can lead us to say that we will get almost the same results if we carried out this survey with a larger sample of respondents (Coakes & Steed, 2002 p140). Cronbach's Alpha method is usually considered to be sufficient for the scale type questions that were present in the questionnaire and was deemed appropriate for the study.

4.4 LIMITATIONS

Although the researcher exerted much effort to limit the effect of the various constraints, it never the less had an influence on the findings. Thus, everyone who makes use of this research is once reminded to bear in mind that these limitations were a hindrance to the research. The limitations were:

4.4.1 Language

The questionnaires were presented only in English. Some customers felt that they could have answered questions better in Zulu or Afrikaans.

4.4.2 Time Constraints

It was the intention of the researcher to be present when participants answered the questionnaire in an attempt to monitor possible misunderstandings. However, on certain occasions this was not possible hence, staff members administered the questionnaires at their convenience.

4.4.3 Pressure when completing the Questionnaire

This posed a limitation particularly when take-away customers were asked to complete the questionnaire. They were often carrying or eating their ice-creams and were in a hurry.

4.4.4 Ambiguity and Confusion

Some questions caused confusion amongst the participants. There seemed to be a misinterpretation with ranking of the service quality attributes in that some attributes were allocated the same number, possibly indicating ambiguity in the question.

CHAPTER 5

RESEARCH FINDINGS AND ANALYSIS

5.1 INTRODUCTION

This chapter, with the use of the statistical package SPSS, presents the data collected. Before looking at the findings, it would be useful to revisit the research questions, which prompted the study. They were:

1. To establish whether perceived key attributes of quality customer service exist at the participating firm.
2. To identify which of the perceived attributes of quality customer service customers consider as being most important.
3. To determine whether the level of quality customer service received by customers influences their perceptions of the organisation.
4. To establish whether gaps in the service delivery process between the organisation and its customers exist.
5. To identify the reasons for the presence of those gaps which cause a break in the service delivery process.
6. To determine whether these gaps can be closed.
7. To identify appropriate processes if any, which can be implemented to continuously refine and close the gaps in service.

Obtaining answers to these questions enables the participating organisation to establish the current perceptions held by customers towards the store and, more specifically their perceptions regarding the level of quality customer service offered. The expectations of these customers, together with the levels of satisfaction which shape their perceptions, served as the foundation on which service quality would be evaluated.

The research study hoped to assist the organisation establish whether gaps in service delivery exist, the reasons for their presence and to identify possible solutions which could be implemented to close or prevent those gaps from further widening. Subsequently this would help the firm in evaluating the strength of its current positioning strategy based on these perceptions and possibly even unveil recommendations for possible strategies in the future.

This chapter takes an in-depth analysis of each finding, beginning with the demographics of the sample, followed by discussions relating to each question as set out in the questionnaire. The research findings are presented below in the form of frequency tables and pie charts.

5.2 RESPONSE RATE

A total of 230 customers participated in the research. They were selected from the Ola Milky Lane store situated at the Liberty Midlands Mall in Pietermaritzburg. All questionnaires were successfully completed, resulting in a 100% response rate. The demographic profile of the sample is discussed in the sections below.

5.3 DEMOGRAPHICS OF THE SAMPLE

5.3.1 Gender

Table 5.1: Gender of Research Participants

Gender		Frequency	Percent	Cumulative Percent
Valid	Male	94	40.9	40.9
	Female	136	59.1	100.0
	Total	230	100.0	

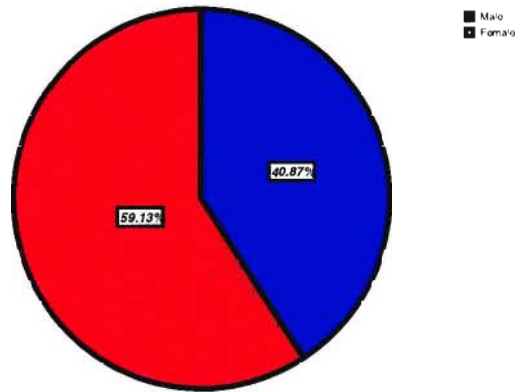


Figure 5.1: Gender of Research Participants

The frequency table and pie chart presented above, show the gender of the sample, which consisted of 59.1% females and 40.9% males. This means that more than half of the questionnaires were completed by females. Although males accounted for 40.9%, the researcher found that both genders perceived the concept of service quality somewhat differently. Female participants usually visited the store with their children and after an intense shopping spree; hence they favoured service quality attributes such as, hospitality, attentiveness, timeliness, comfort and cleanliness, and access to the store - to name a few.

Common service quality attributes for both genders included, quality of goods, responsiveness, reliability, competency, access and consistency. The results confirm that the firm's target market consists of both genders (male and female). Hence, their perceptions of quality customer service should be considered equally important in advertising, promotions and other marketing campaigns.

5.3.2 Age

Table 5.2: Ages of Research Participants

Age	Frequency	Percent	Cumulative Percent
Valid Under 20	9	3.9	3.9
20-29	69	30.0	33.9
30-39	59	25.7	59.6
40-49	54	23.5	83.0
50 and over	39	17.0	100.0
Total	230	100.0	

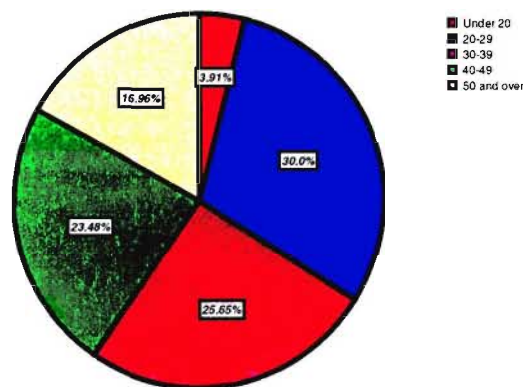


Figure 5.2: Ages of Research Participants

Above is a representation of the age groups which made up the sample. They consisted of:

- Below 20 years,
- Between 20 and 29 years,
- Between 30 and 39 years,
- Between 40 and 49 years and,
- 50 years and over.

Drawn from the frequency table and pie chart above, the youngest and smallest participating age group was below 20 years and accounted for 3.9%. The largest response

group (30%) was aged between 20 and 29 years, followed by smaller groups of 25.7% for 30 to 39 years, 23.5% for age group 40-49 years and 17% belonging to participants over the age of 50 years. This information is essential to the organization as it reveals that customers of the participating firm range from various age groups. Therefore, marketing initiatives should target all or single groups using specially designed marketing campaigns, such as valentine promotions or pensioner programmes.

5.3.3 Race

Table 5.3: Race of Research Participants

Race		Frequency	Percent	Cumulative Percent
Valid	Black	37	16.1	16.1
	Indian	62	27.0	43.0
	White	87	37.8	80.9
	Coloured	44	19.1	100.0
	Total	230	100.0	

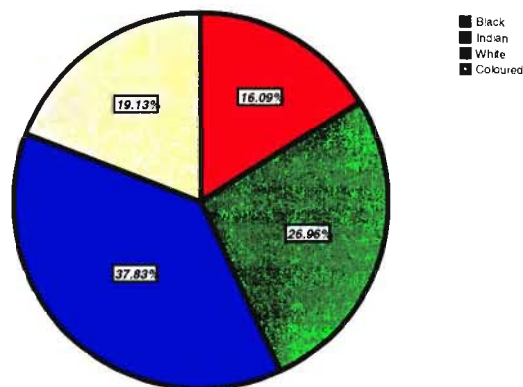


Figure 5.3: Race of Research Participants

The frequency table and pie chart above show the race of the respondents. The majority of the participants were whites (37.8%) thereafter, Indians (27%). Smaller groups were Coloureds and Blacks with respective percentages of 19.1% and 16.1%. The larger groups can be related to their average spending compared to smaller groups who may perceive the

goods offered by the store as “expensive luxury items” hence, their reason for turning to alternative “cheaper luxury items” (ice-creams offered at KFC or Steers). Some participants found this question a little offensive, which is probably due to the political situation in the country at the moment.

5.3.4 Average Spending

Table 5.4: Average Spending Research Participants

Average Spending		Frequency	Percent	Cumulative Percent
Valid	0-R25	16	7.0	7.0
	R25-R50	61	26.5	26.5
	R50-R75	58	25.2	25.2
	R75-R100	56	24.3	24.3
	R100 and over	39	16.9	16.9
	Total	230	100.0	

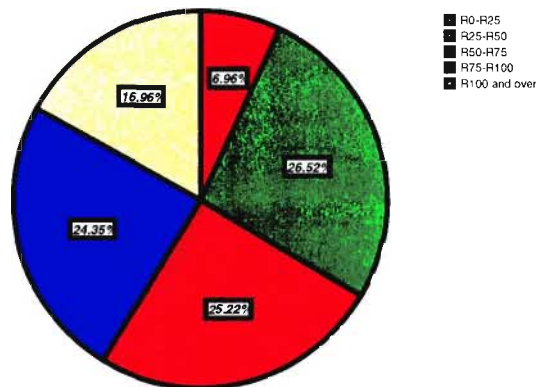


Figure 5.4: Average Spending of Research Participants

This question was included in the survey for classification purposes to differentiate and compare the characteristics of various research participants. Presented above is the average spending categories, ranging from a minimum of R0-R25 to a maximum R100 and over. The largest average spending group of participants (26.5%) spent between R25 – R50 of their income at the store, while the smallest average spending group of 7% spent less than

R25. Other categories of average spending were R50-R75 (25.2%), R75-R100 (24.3%) and R100 and over (17%). The average spending of a potential or existing customer is crucial to any organisation as their expenditure is considered to be the “lifeblood” of that company. It is this spending that generates income or sales which make “the wheels of any business turn”.

5.4 ANALYSIS OF THE QUESTIONNAIRE

5.4.1 Customer Loyalty

Table 5.5: Customer Loyalty of Research Participants

Customer Loyalty		Frequency	Percent	Cumulative Percent
Valid	0-1 yrs	34	14.8	14.8
	1-2 yrs	38	16.5	31.3
	2-3 yrs	42	18.3	49.6
	3-4 yrs	63	27.4	77.0
	5 years and over	53	23.0	100.0
Total		230	100.0	

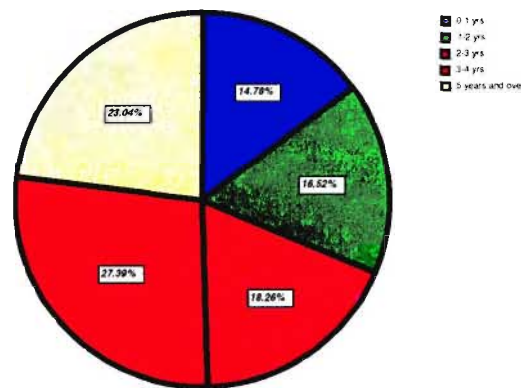


Figure 5.5: Customer Loyalty of Research Participants

The results reveal that a large proportion of participants (27.4%) have been patrons of the organisation for the past 3-4 years. This is equivalent to the existence of the firm and the Liberty Midlands Mall. Hence, these shoppers have become loyal customers since the

organisation's establishment in September 2003. Following this trend were customers who have visited the store for the past five years and over (23%), 2-3 years (18.3%) and more recently 16.5% have become customers over the past 1-2 years. The organisation has also attracted a new group of customers consisting of 14.8% within the last year. It is important to note that the Liberty Midlands Mall has proven to be the most successful shopping precinct in the Pietermaritzburg region. This is evident in the recent extension. Thus, it is imperative that the organisation implement a differentiated customer care strategy that is aimed at attracting new customers and maintaining existing patrons.

5.4.2 Average Visits

Table 5.6: Average Visits of Research Participants

Average Visits		Frequency	Percent	Cumulative Percent
Valid	Weekly	68	29.6	29.6
	Monthly	95	41.3	70.9
	Yearly	53	23.0	93.9
	Other	14	6.1	100.0
	Total	230	100.0	

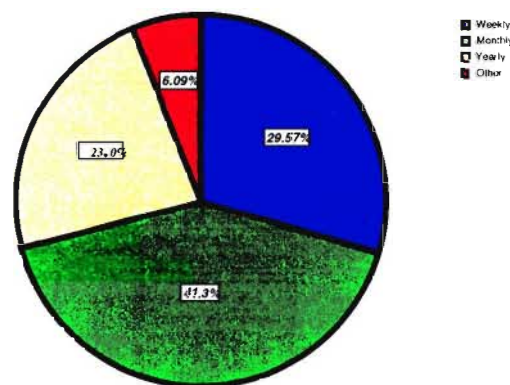


Figure 5.6: Average Visits of Research Participants

The information above illustrates the frequencies of visits made to the firm. While a large group of participants consisting of 41.3% visit the store on a monthly basis, 29.6% visit on a weekly basis, 23% on a yearly basis and 6.1% visit on a random basis. It is important to note the significant responses for monthly and weekly visits as these participants would be regarded as “regular customers”. Hence, it seemed appropriate to the researcher to assume that they would be idyllic in evaluating the level of quality customer service offered at the organisation.

5.4.3 Preferred Type of Purchase

Table 5.7: Preferred Purchases of Research Participants

Preferred Types of Purchases		Frequency	Percent	Cumulative Percent
Valid	Placing a take-away order	47	20.4	20.4
	Being seated and placing an order	159	69.1	89.6
	Both	22	9.6	99.1
	No Response	2	.9	100.0
	Total	230	100.0	

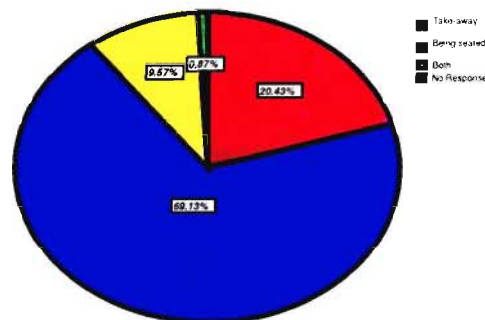


Figure 5.7: Preferred Purchases of Research Participants

As shown above, a substantial percentage (69.1%) of the results belonged to customers who preferred to be seated rather than ordering a take-away. While 20.4% of the participants favoured only a take-away, 9.6% enjoyed both. The researcher found it beneficial at this

stage to make clear to the reader the difference between a sit-down and take-away purchase. When buying a take-away item for example, a soft serve ice-cream cone, one would order at the kiosk where the take-away menu board is clearly situated. This is a counter service customer contact point where the customer-employee contact period lasts for approximately 4–5 minutes depending on the type of product ordered.

On the other hand, the customer-employee contact period for a seated customer begins the moment they are acknowledged and escorted to a designated table by a waitron. This is when the sit-down menu is formally presented. Here, the customer-employee contact period lasts for approximately 30–45 minutes, depending on the number of customers to that table and their orders. Acknowledging that superior customer service should be practiced at every point in the organisation, the results of the research may tempt the participating organisation to concentrate on improving and maintaining the quality of service offered to seated customers rather than take-away customers as they have a longer “experience” with the firm.

5.4.3.1 Reason for making the Preferred Purchase

Table 5.8: Reason for the Preferred Purchase

Reasons for making Preferred Purchases		Frequency	Percent	Cumulative Percent
Valid	To relax	29	12.6	12.6
	It's cheaper	10	4.3	17.0
	Received more attention	4	1.7	69.6
	Enjoy a full meal	10	4.3	73.9
	Enjoy quality Customer Service offered	8	3.5	77.4
	Give the kids a treat	5	2.2	79.6
	Taking your time to order (No rush)	10	4.3	83.9
	To take a break from shopping	7	3.0	87.0
	It's faster	16	7.0	93.9
	More comfortable than walking around	14	6.1	100.0
	No response	117	50.9	67.8
	Total	230	100.0	

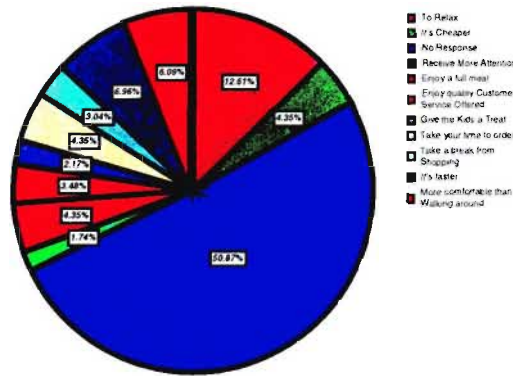


Figure 5.8: Reason for the Preferred Purchase

This finding indicated that customers have different buying preferences. On one hand, a large portion of the sample preferred being seated and placing an order while on the other hand, a smaller portion favoured purchasing a take-away. Within these two extremes, a fraction of customers exist who enjoy both. The researcher felt it important to remember that seated customers spend more time at the organisation than “take-away” customers do. Findings for this part of the research uncovered a range of motives which support the reasons participants have for making their preferred choice of purchase. They include:

1. To relax -12.6%
2. It’s faster - 7% (take away)
3. More comfortable than walking around with an ice-cream - 6.1%
4. To enjoy a full meal - 4.3%
5. To take your time to order (No Rush) - 4.3%
6. It is cheaper - 4.3% (take away)
7. To enjoy the quality of customer service offered - 3.5%
8. To take a break from shopping - 3%
9. To give the kids a treat - 2.2%
10. Receive a greater level of attention - 1.7%

Above are the motives that were offered by participants for their preferred choice of purchase. These reasons made up 49% of the total sample size. 50.9% of the participants

did not respond. This is significant as close to half of the sample had explicit reasons for their choice of purchase. Taking a look individually at the purchasing motives, it is evident that a considerable fraction of customers (12.6%) prefer to “relax by being seated and placing an order”, 7% “prefer faster service”, 6.1% believed that “it’s more comfortable than walking around with an ice-cream” and, 4.3% prefer to “take their time” and “enjoy a meal” while sitting down.

Additionally the results revealed that, while 3.5% of the participants preferred to “enjoy the quality of customer service offered”, 3% enjoyed “taking a break from shopping”, 2.2% chose to “give the kids a treat and 1.7 % of customers felt that they received a greater level of “attention” when being seated rather than when ordering at the kiosk.

This question established that differences do exist in the decision making process of customers. The findings mentioned above should be taken into consideration by the participating organisation as it can be used as a starting point for improving the quality of service offered at both purchasing extremes.

5.4.4 Significance of Customer Service

Table 5.9: Significance of Customer Service

Significance of Customer Service	Frequency	Percent	Cumulative Percent
Valid Yes	185	80.4	80.4
No	41	17.8	98.3
No Response	4	1.7	100.0
Total	230	100.0	

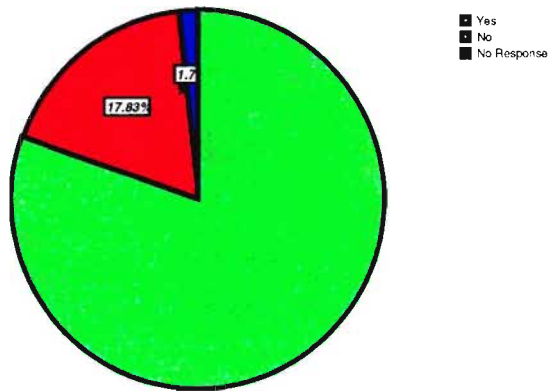


Figure 5.9: Significance of Customer Service

The primary focus of this research study is to investigate the perceptions of customers based on the level of quality customer service received. With this in mind, the researcher included this as a direct question in the investigation of customer perceptions. Drawn from the information above, the majority of participants (80.4%) felt that customer service does play a significant role in their decision making. A smaller group (17.8%) believed that customer service does not influence their decision making and 1.7% did not respond to this statement.

These findings serve as a clear indication to the organisation that the level of quality customer service does play a significant role with customers in their decision making. A poor service experience with the firm or through “word of mouth” could result in customers not revisiting or recommending the store to others. Hence, the participating organisation should make every effort to ensure that every experience with a customer is positive and pleasurable.

5.4.5 Difference in the Level of Quality Customer Service Offered (Sit-down and Take-Away)

Table 5.10: Difference in the Level of Quality Customer Service Offered at different points

Difference in the Level of Quality Customer Service		Frequency	Percent	Cumulative Percent
Valid	Yes	123	53.5	53.5
	No	88	38.3	91.7
	No Response	19	8.3	100.0
	Total	230	100.0	

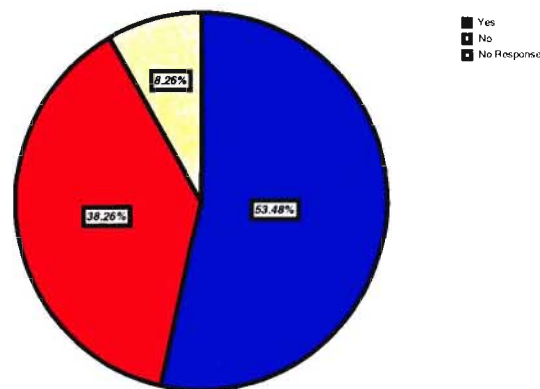


Figure 5.10: Difference in the Level of Quality Customer Service Offered

This question was specifically designed to respond to the objective stated in chapter 1, that is, “To establish whether gaps in service delivery between the organisation and its customers exist”. Again, it is important for the reader to understand the difference between the two extremes of being seated and purchasing a take-away order at the store. The information presented above shows that a considerable percentage of 53.5% of the participants believed that there is a difference in the level of quality customer service offered at both customer contact points.

Drawn again, from the frequency table and pie chart above, 38.3% of the participants felt indifferent to the levels of customer service offered and 8.3% did not respond. The minority group of participants were mostly uncertain as they never evaluated or compared the consistency in customer service at both points. This could result in some participants favouring one service point more than the other. The reasons for their purchasing preferences are discussed in the section that follows.

5.4.5.1 Reasons for Differences in the Level of Quality Customer Service

Table 5.11: Reasons for Differences in the Level of Customer Service (Sit-down and Take-Away)

Reasons for the Differences in the Level of Quality Customer Service		Frequency	Percent	Cumulative Percent
Valid	No rush when being seated	6	2.6	2.6
	No waiting in long queues	9	3.9	6.5
	Better quality Customer Service	13	5.7	12.2
	More attention	6	2.6	14.8
	Never tried Take-Away	14	6.1	20.9
	Take away is impersonal	8	3.5	24.3
	No difference	13	5.7	30.0
	No response	161	70.0	100.0
	Total	230	100.0	

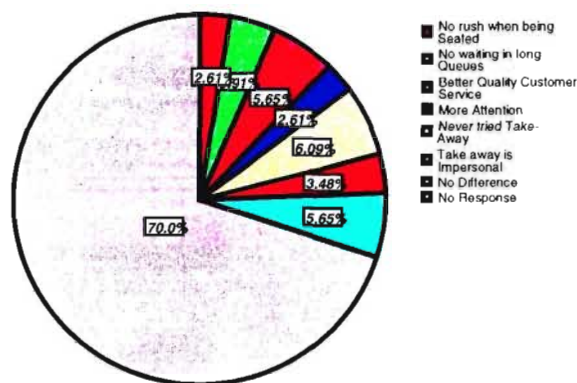


Figure 5.11: Reasons for Differences in the Level of Customer Service

It seemed appropriate to the researcher when designing the questionnaire to determine not only the purchasing preferences of participants but also the reasons behind those preferences. The results show that there are various motives participants have for choosing to be seated or to order a take-away. The reasons for being seated were:

- There is no rush (2.6%)
- There is no waiting in long queues (3.9%)
- Better level of quality customer service received (5.7%)
- Customers receive more attention (2.6%)

Other reasons for participants preferred choice of purchase were:

- Some customers never tried purchasing a take away (6.1%)
- Some customers felt that buying a take away (kiosk) was impersonal (3.5%)
- Some felt that both the take-away and sit-down were the same (5.7%)

Although the results point out a large group of participants (70%) who did not respond to this question, the organisation needs to concentrate on the participants (30%) who did offer reasons. In light of the information revealed, it would seem only rational for the organisation to concentrate on improving the level of quality customer service offered to seated customers rather than take-away customers as their accumulated preferences in choice of purchase seem to be greater. However, this may lead to the take-away being neglected resulting in wider service quality gaps.

5.4.6 Levels of Consistency in Quality Customer Service

Table 5.12: Levels of Consistency in Quality Customer Service

Levels of Consistency in Quality Customer Service		Frequency	Percent	Cumulative Percent
Valid	Yes	142	61.7	61.7
	No	85	37.0	98.7
	No Response	3	1.3	100.0
	Total	230	100.0	

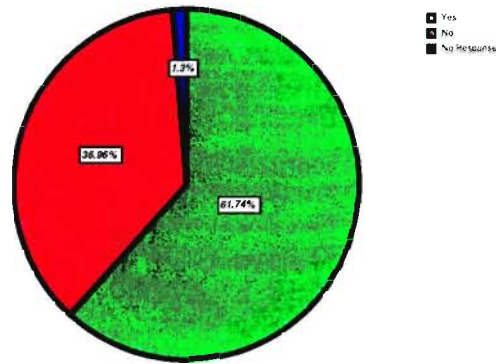


Figure 5.12: Levels of Consistency in Quality Customer Service

Once more, this direct question was included in the survey to answer specific objectives of the dissertation; “to determine whether gaps in quality customer service delivery actually do or do not exist”. Taking into consideration that two customer contact or purchase points exist at the organisation, the researcher felt it appropriate to determine whether consistency in the levels of quality customer service exist at both points.

This was a closed-ended question where customers had to make an explicit decision of either “yes” or “no”. The results revealed that the majority of the sample (61.7%) believed that there is consistency in the level of quality customer service received. While only 1.3% (3 participants) did not respond to this question, 37% felt that no consistency exists. This raises concern as considerable numbers of participants are unhappy due to the inconsistent levels of customer service offered. Consequently, this could lead valued customers to believe that the treatment they receive when ordering a “take-away” or when “being seated” differs from the other. Going back at chapter 1 where the purpose of the research study is set out, this question satisfies the following objectives:

- 1.) To establish whether gaps in service delivery between the organisation and its customers exist.
- 2.) To identify the reasons for the presence of those gaps which cause a break in the service delivery process.
- 3.) To determine whether these gaps can be closed.

Hence, gaps in the process of quality customer service delivery do exist; the reason in this particular case is inconsistency. Efforts can be undertaken by the participating management team to ensure that this gap is closed or minimized and prevented from further widening. This could take the form of an effective and intensive customer service training programme, which should include all employees. This could help smooth out the levels of consistency regarding the quality of customer service received at both purchasing points. In addition, the organisation should acknowledge the information derived from the research as it represents a more comprehensible insight into customers and more importantly their perceptions toward the level of quality service they expect to receive.

5.4.7 Influence of Image on Customer Perceptions

Table 5.13: Influence of Image on Customer Perceptions

Influence of Image on Customer Perceptions		Frequency	Percent	Cumulative Percent
Valid	Yes	154	67.0	67.0
	No	28	12.2	79.1
	Maybe	45	19.6	98.7
	No Response	3	1.3	100.0
	Total	230	100.0	

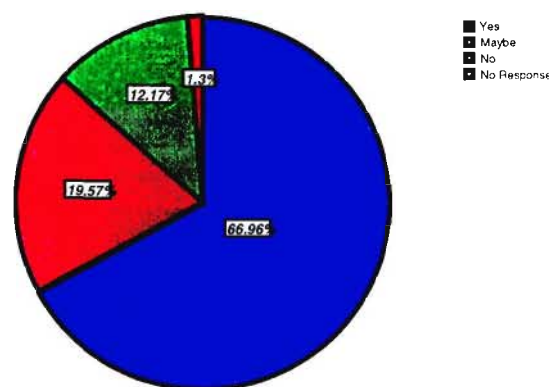


Figure 5.13: Influence of Image on Customer Perceptions

This question was purposely designed and included in the questionnaire to establish whether customer perceptions are influenced by the image an organisation portrays. Before the results are discussed, it is important to understand the concept of image.

An organisation's image is an important variable that can positively or negatively affect marketing efforts. Image is considered to have the ability to influence customers' perceptions of goods and services offered. Thus, image will have an impact on buying behaviour (Ziethamal 1996 p96). Service literature identifies a number of factors which can reflect an image in a customer's mind and are considered to influence them through the combined efforts of advertising, public relations, physical image, word of mouth and their actual experiences. Hence, image can be regarded as the "overall picture" of the business.

The results reflect that a large group of participants (67%) believed that their image of the organisation did affect their perceptions. While a smaller group of respondents (12.2%) felt that the image of the organisation did not affect them at all, 19.6% were uncertain and 1.3% did not respond to this question. Through conversations with participants during the data collection process, the researcher came to the conclusion that the doubtful participants, who accounted for 19.6%, probably did not have a clear conception of image and its significant effect of persuasion.

5.4.8 Common Reasons for visiting the organisation

Since customers possess diverse interests and means of purchasing goods and services, so will their preferences differ when visiting different organisations. Having this in mind, the researcher included this question in the survey. This question was designed so as to include common motives which supported the reasons participants have when deciding to visit the business. They were as follows:

- Level of Quality Customer Service offered
- Pricing Structure
- Atmosphere of the store
- Convenience / Location of the store

- Branding and Image of the store
- Other preferences

These preferences were listed using the Likert ranking scale, which enabled customers to rank their reasons for visiting the organisation in order of importance. The order of ranking for customer preferences were:

- 1 = Most Important
- 2 = Important
- 3 = Average
- 4 = Less Important
- 5 = Least Important
- 6 = Not Important

The results relating to this question are discussed after the display of frequency tables and pie charts for each preference as follows.

5.4.8.1 The Level of Quality Customer Service offered

Table 5.14: Reasons for visiting the Organisation – “Level of Quality Customer Service offered”

Reasons for visiting the organisation – Level of quality customer service offered		Frequency	Percent	Cumulative Percent
Valid	Most Important	134	58.3	58.3
	Important	48	20.9	79.1
	Average	23	10.0	89.1
	Less Important	11	4.8	93.9
	Least Important	4	1.7	95.7
	Not Important	1	.4	96.1
	No Response	9	3.9	100.0
	Total	230	100.0	

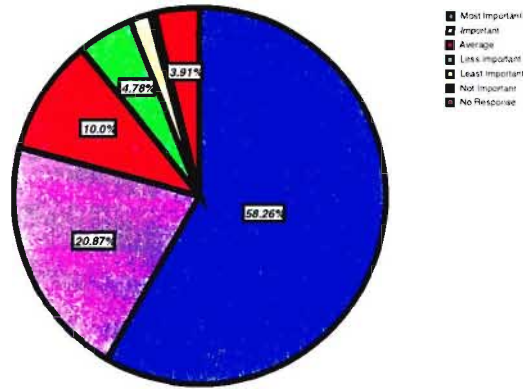


Figure 5.14: Reasons for visiting the organisation – “Level of Quality Customer Service offered”

5.4.8.2 The Quality of Goods Offered

Table 5.15: Reasons for visiting the organisation – “Quality of Goods offered”

Reasons for visiting the organisation – Quality of Goods offered		Frequency	Percent	Cumulative Percent
Valid	Most Important	142	61.7	61.7
	Important	53	23.0	84.8
	Average	17	7.4	92.2
	Less Important	6	2.6	94.8
	Not Important	2	.9	95.7
	No Response	10	4.3	100.0
	Total	230	100.0	

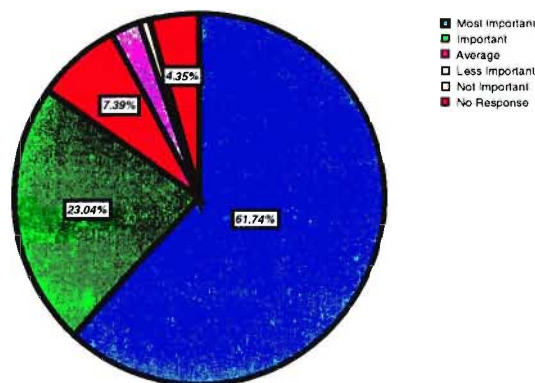


Figure 5.15: Reasons for visiting the organisation – “Quality of Goods”

5.4.8.3 The Pricing Structure

Table 5.16: Reasons for visiting the organisation – “The Pricing Structure Used”

Reasons for visiting the organisation – Pricing Structure		Frequency	Percent	Cumulative Percent
Valid	Most Important	85	37.0	37.0
	Important	47	20.4	57.4
	Average	56	24.3	81.7
	Less Important	26	11.3	93.0
	Least Important	4	1.7	94.8
	Not Important	2	.9	95.7
	No Response	10	4.3	100.0
	Total	230	100.0	

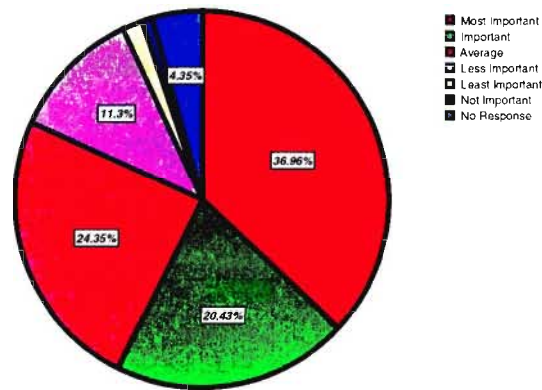


Figure 5.16: Reasons for visiting the organisation – “The Pricing Structure”

5.4.8.4 Atmosphere of the Store

Table 5.17: Reasons for visiting the organisation – “Atmosphere of the Store”

Reasons for visiting the organisation – Atmosphere of the Store		Frequency	Percent	Cumulative Percent
Valid	Most Important	87	37.8	37.8
	Important	63	27.4	65.2
	Average	27	11.7	77.0
	Less Important	32	13.9	90.9
	Least Important	9	3.9	94.8
	Not Important	1	.4	95.2
	No Response	11	4.8	100.0
	Total	230	100.0	

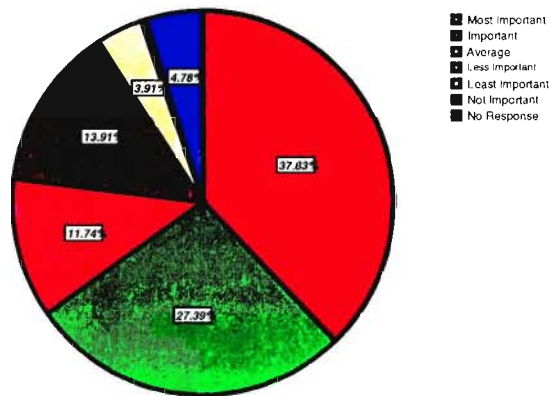


Figure 5.17: Reasons for visiting the organisation – “Atmosphere of the Store”

5.4.8.5 Convenience (Access/Location) of the Store

Table 5.18: Reasons for visiting the organisation – “Convenience of the Store”

Reasons for visiting the organisation – Convenience		Frequency	Percent	Cumulative Percent
Valid	Most Important	96	41.7	41.7
	Important	56	24.3	66.1
	Average	23	10.0	76.1
	Less Important	15	6.5	82.6
	Least Important	22	9.6	92.2
	Not Important	10	4.3	96.5
	No Response	8	3.5	100.0
	Total	230	100.0	

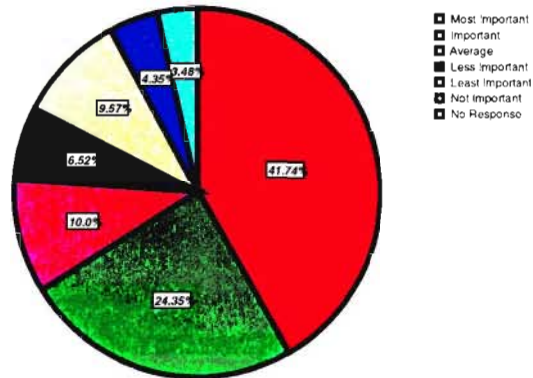


Figure 5.18: Reasons for visiting the organisation - “Convenience of the Store”

5.4.8.6 Branding and Image of the Store

Table 5.19: Reasons for visiting the organisation – “Branding and Image of the Store”

Reasons for visiting the organisation – Branding and Image of the Store		Frequency	Percent	Cumulative Percent
Valid	Most Important	93	40.4	40.4
	Important	41	17.8	58.3
	Average	19	8.3	66.5
	Less Important	21	9.1	75.7
	Least Important	14	6.1	81.7
	Not Important	27	11.7	93.5
	No Response	15	6.5	100.0
	Total	230	100.0	

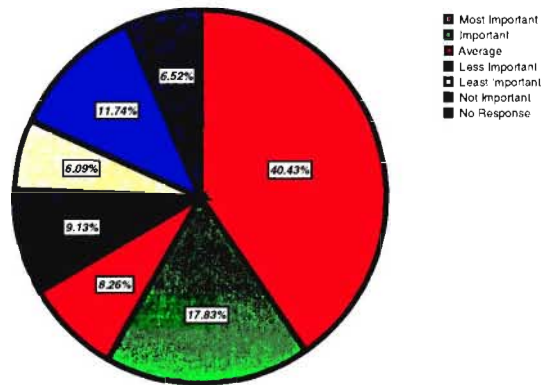


Figure 5.19: Reasons for visiting the organisation – “Branding and Image of the Store”

5.4.8.7 Other Preferences

Table 5.20: Other Reasons for visiting the organisation

Other reasons for visiting the organisation		Frequency	Percent	Cumulative Percent
Valid	Most Important	14	6.1	6.1
	Important	12	5.2	11.3
	Average	3	1.3	12.6
	Less Important	2	.9	13.5
	Not Important	3	1.3	14.8
	No Response	196	85.2	100.0
	Total	230	100.0	

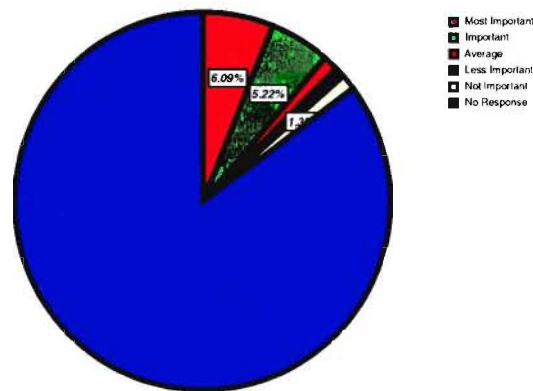


Figure 5.20: Other Preferences for visiting the organisation

The display of results shows that the most important reason for visiting the store was for “the quality of goods”(61.7%). The second most important reason for visiting the store was attributed to “the quality of customer service received”(58.3%). The third reason was accredited to the “convenience and location”(41.7%) of the store. Hereafter, smaller groups of participants believed that the “atmosphere” (37.8%) of the firm was less important and the “pricing structure” (37%) was the least important reason for visiting the firm. Lastly, the “branding and image of the store” (11.7%) was not considered an important motive for visiting the store.

It is important to remember that although customers are now more informed, sophisticated and modernised, they still regard the “quality of goods and services” as crucial to their decision making. The researcher acknowledges this element as one of “the traditional elements” of service quality. Moving onto the second ranking, the reasons which were regarded as being “important” were Atmosphere (27.4%), Convenience (24.3%), Level of quality customer service offered (20.9%), Pricing Structure (20.4%), Quality of goods (23%) and lastly, Branding and Store Image (17.8%).

While the largest response for the third ranking (Average) of the results was attributed to the “Pricing Structure” (24.3%), the smallest response was attributed to the “Quality of Goods” (7.4%). The larger response could be attributed to the relationship that exists between the price paid and the quality of goods and services received.

Lower ranked reasons still remain motives for visiting and purchasing at the store; hence, they should not be ignored or neglected but rather be considered as aspects the organisation can improve on. Since the most frequent responses were accredited to the “Quality of Goods”, the “Quality of Customer Service received” and the “Convenience and Location” of the store, the firm should capitalize on the opportunity to further improve and maintain quality standards utilizing the information gained from this research. This information will also be useful to recognize gaps which exist, how to close them and to identify relationships which may exist within gaps.

5.4.9 Current Levels of Satisfaction Received

Since, the questionnaires were completed by participants toward the end of the service encounter, they were assumed to be in the appropriate mindset to evaluate their experience. This question required participants to rate the level of quality customer service received using pre-selected service quality attributes.

Various possible attributes of quality customer service were considered by the researcher when designing this section of the survey. Using the vast literature available on the concepts

of quality service and services marketing, the attributes that follow were particularly selected to be included in the research. Before the results are discussed, the researcher briefly examines each attribute in relation to theory and the present situation at the organisation regarding these aspects.

5.4.9.1 Hospitality

Table 5.21: Current Levels of Satisfaction – “Hospitality”

Hospitality		Frequency	Percent	Cumulative Percent
Valid	Excellent	44	19.1	19.1
	Good	109	47.4	66.5
	Average	33	14.3	80.9
	Fair	16	7.0	87.8
	Poor	25	10.9	98.7
	No Response	3	1.3	100.0
	Total	230	100.0	

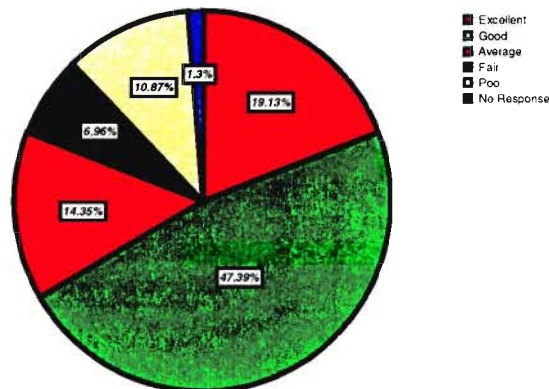


Figure 5.21: Current Levels of Satisfaction – “Hospitality”

Hospitality can be thought of as the forthcoming and imminent welcoming that employees demonstrate towards potential and existing patrons of the organisation. This can take the form of an initial greeting between a staff member and a customer or the ability to identify customers’ specific needs and the willingness to satisfy those needs in an unassuming and courteous manner (Parasuraman et al, 1985 p41-50).

The results show that the majority (47.4%) of the participants rated the current level of Hospitality as “Good”. While a smaller group of respondents considered this attribute to be “Excellent” (19.1%), 14.3% believed this aspect of service quality to be “Average”. This could raise concern for the firm as some participants are oblivious of the difference in quality customer service offered by the organisation and the surrounding competition. Lastly, 7% rated the current level of hospitality as “Fair” and 10.9% believed it was “Poor”.

5.4.9.2 Attentiveness / Helpfulness

Table 5.22: Current Levels of Satisfaction – “Attentiveness /Helpfulness”

Attentiveness/Helpfulness		Frequency	Percent	Cumulative Percent
Valid	Excellent	40	17.4	17.4
	Good	97	42.2	59.6
	Average	51	22.2	81.7
	Fair	16	7.0	88.7
	Poor	24	10.4	99.1
	No Response	2	.9	100.0
	Total	230	100.0	

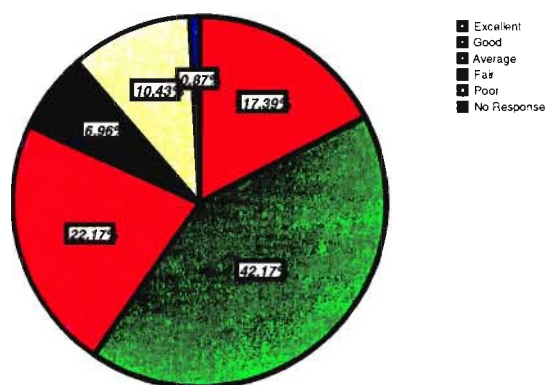


Figure 5.22: Current Levels of Satisfaction – “Attentiveness / Helpfulness”

This attribute refers to the awareness of customers, their needs and the show of willingness to satisfy them by employees. Attentiveness and Helpfulness takes the form of acknowledging a customer when he/she enters the organisation or approaches the kiosk (take-away). It also takes place by means of suggestive selling where employees influence the purchasing decisions of customers by offering recommendations when they are hesitant or indecisive. Lastly, it refers to focusing and being attentive to customers and their needs.

The frequency table and pie chart above show that most respondents (42.2%) rated this attribute as “Good”, 17.4% believed it to be “Excellent” and 22.2% felt it was “Average”. Lower frequencies of 7% and 10.4% accounted for this aspect being perceived as “Fair” and “Poor” respectively. Although these lower ratings may seem less significant when compared to the higher ratings, they should nevertheless be taken into consideration by the firm as they too influence the ultimate perceptions of customers.

5.4.9.3 Comfort and Cleanliness

Table 5.23: Current Levels of Satisfaction – “Comfort and Cleanliness”

Comfort and Cleanliness		Frequency	Percent	Cumulative Percent
Valid	Excellent	53	23.0	23.0
	Good	98	42.6	65.7
	Average	52	22.6	88.3
	Fair	14	6.1	94.3
	Poor	11	4.8	99.1
	No Response	2	.9	100.0
	Total	230	100.0	

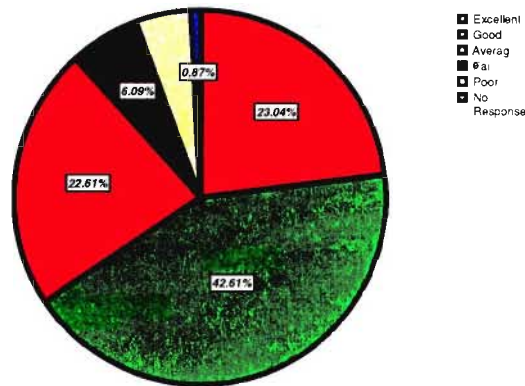


Figure 5.23: Current Levels of Satisfaction – “Comfort and Cleanliness”

This aspect of quality customer service is associated with the physical surroundings and tangibles of the organisation. The researcher refers to the “Comfort and Cleanliness” of the participating firm as the neat and tidy appearance of the tangible components of the service package, the service environment, facilities and employees. The physical comfort of the environment and the amenities include clean, stable tables and comfortable chairs that are situated in clean surrounding areas (floors, walls, ceilings, menu boards etc.). These factors, when combined, enhance the service experience of customers.

Having mentioned the above, the results support that the majority of participants (42.6%) rated the current level of Comfort and Cleanliness of the firm as “Good”. While 23% of the participants perceived this aspect to be “Excellent”, 22.6% felt that it was “Average”, 6.1% considered it “Fair”. Lastly, 4.8% believed it to be “Poor”.

5.4.9.4 The Ordering Procedures

Table 5.24: Current Levels of Satisfaction –“The Ordering Procedure”

The Ordering Procedure		Frequency	Percent	Cumulative Percent
Valid	Excellent	44	19.1	19.1
	Good	105	45.7	64.8
	Average	52	22.6	87.4
	Fair	14	6.1	93.5
	Poor	12	5.2	98.7
	No Response	3	1.3	100.0
	Total	230	100.0	

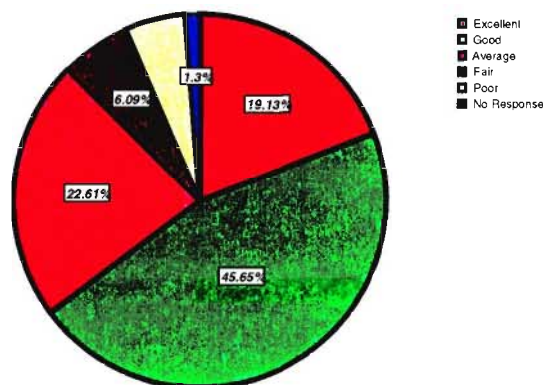


Figure 5.24: Current Levels of Satisfaction – “The Ordering Procedure”

This aspect of service quality should not be complex or frustrating for the customer or the employee. It should be systematic, easy to understand and flexible to accommodate all customers irrespective of the choice of purchase. With respect to the participating firm, the ordering procedure for a take-away is carried out at the kiosk counter. Customers are given a clear indication of this by the “Take-Away” sign and menu placed in the designated counter and the take-away menu board situated in the same area. In the case of a sit-down item, waiters are situated at the front of the store, central to the menus. This can be regarded as the point where the service experience begins.

The results show that the majority of participants (45.7%) perceive this attribute to be “Good”. While 19.1% of the participants supported the notion that the firm’s ordering procedure is “Excellent”, 22.6% considered it to be “Average”. Smaller groups of participants rated this attribute as “Fair” (6.1%) and “Poor” (5.2%). Thus, some customers may prefer the ordering procedure followed at any other organisation.

5.4.9.5 Timeliness

Table 5.25: Current Levels of Satisfaction – “Timeliness”

Timeliness		Frequency	Percent	Cumulative Percent
Valid	Excellent	45	19.6	19.6
	Good	85	37.0	56.5
	Average	59	25.7	82.2
	Fair	16	7.0	89.1
	Poor	21	9.1	98.3
	No Response	4	1.7	100.0
	Total	230	100.0	

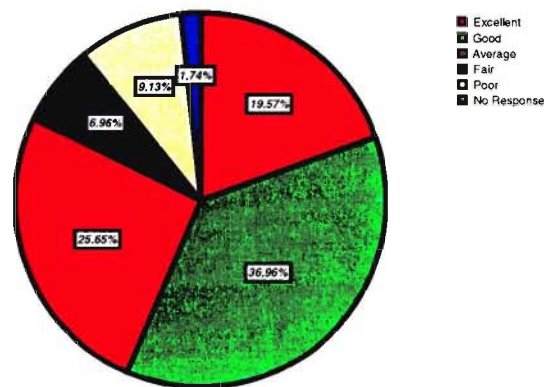


Figure 5.25: Current Levels of Satisfaction – “Timeliness”

Timeliness in this context refers to the punctual acknowledgement of customers and the promptness of the service delivery. This includes the ability of the participating firm to respond quickly and efficiently to customer requests with a minimal waiting period (Shahin, 2007 p1-10). Taking this concept further, since the time of day influences the

demand for certain products, they should be made available to customers in sufficient quantities.

For example, fresh juices and coffees are consumed most frequently during the mornings than any other time of the day; thus, they should be readily available during this time. The time dimension, therefore, refers to not only fast and efficient service but it also influences the buying patterns of the business as well as the scheduling and planning of promotions.

The results above show that the largest group (37%) of the participants rated the current level of Timeliness as “Good” and the smallest group (7%) rated it as “Fair”. In between these extremes were groups of participants who perceived this attribute to be “Average” (25.7%) and “Poor” (9.1%). These findings answer questions and objectives set out in the initial stages of the research: that is, whether gaps exist in service delivery. In this case, a gap in quality service does exist as a considerable group 21 participants (9.1%) believe that the “Timeliness” during the service delivery was “Poor”.

5.4.9.6 Order Accuracy

Table 5.26: Current Levels of Satisfaction –“Order Accuracy”

Order Accuracy		Frequency	Percent	Cumulative Percent
Valid	Excellent	60	26.1	26.1
	Good	107	46.5	72.6
	Fair	38	16.5	89.1
	Average	9	3.9	93.0
	Poor	12	5.2	98.3
	No Response	4	1.7	100.0
	Total	230	100.0	

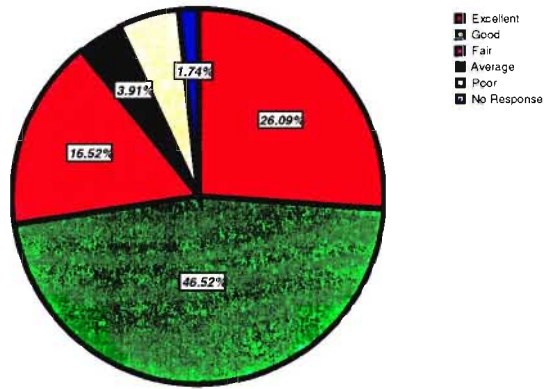


Figure 5.26: Current Levels of Satisfaction -“Order Accuracy”

This aspect is related to the competency of employees. The researcher refers to this element of service quality as the efficiency of trained staff to deploy the service accurately and successfully. This includes listening carefully to customers, taking their order correctly and executing that order precisely.

From the results shown above, the most frequent response regarding this element of service quality was “Good” (46.5%). While a smaller portion of the participants rated this aspect as “Excellent” (26.1%), a smaller group rated it as “Fair” (16.5%). Further fractions of participants rated this aspect of their experience as “Average” (3.9%) and “Poor” (5.2%). Since order accuracy plays an integral role in forming customer perceptions of a business, it is important that the participating organisation utilize the information revealed to constantly improve and maintain this aspect in achieving quality customer service.

5.4.9.7 Quality of Goods

Table 5.27: Current Levels of Satisfaction –“Quality of Goods”

Quality of Goods		Frequency	Percent	Cumulative Percent
Valid	Excellent	70	30.4	30.4
	Good	97	42.2	72.6
	Average	32	13.9	86.5
	Fair	13	5.7	92.2
	Poor	12	5.2	97.4
	No Response	6	2.6	100.0
	Total	230	100.0	

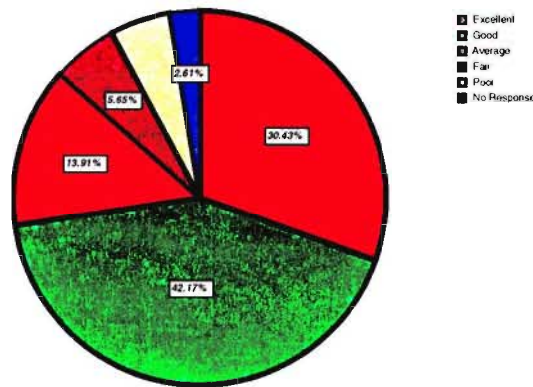


Figure 5.27: Current Levels of Satisfaction “Quality of Goods”

Going back to the literature review, quality is an elusive concept, which is easy to visualize but complicated to define. Stamatis (1996 p8) defines quality as “the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”. Considering that numerous definitions exist on the subject, the researcher contemplated that the explanation offered by Canning is most relevant to the research. Canning believed that, “quality goods and services ensure the satisfaction of needs of both internal and external customers. Moreover *quality* serves as a *bridge* between the producer of those goods and services and its ultimate consumer” (1999 p19).

The results reveal that majority of the participants (42.2%) rated the quality of goods as “Good”, 30.4% believed this aspect to be “Excellent” and 13.9% considered it as “Average”. Lower ratings were attributed to the quality of goods offered; “Fair” (5.7%) and “Poor” (5.2%). These lower ratings could mean that participants perceived the quality of goods offered by the participating firm to be typical of other organisations. Hence, customers may be oblivious to the quality of products produced by the store.

In its approach to achieve superior quality customer service, the organisation should include efforts in its promotional campaigns to make customers aware of the high quality of goods offered, along with excellent customer service. This can be done by informing customers on the finest and freshest quality products that are used in the making of goods. An example would be to enlighten customers of the fact that the store is the only restaurant that uses full-cream ice cream mix instead of a water based mix to make their delicious sundaes and waffle toppings.

5.4.9.8 Availability of Goods Offered

Table 5.28: Current Levels of Satisfaction –“Product Availability”

Product Availability		Frequency	Percent	Cumulative Percent
Valid	Excellent	41	17.8	17.8
	Good	107	46.5	64.3
	Average	49	21.3	85.7
	Fair	14	6.1	91.7
	Poor	14	6.1	97.8
	No Response	5	2.2	100.0
	Total	230	100.0	

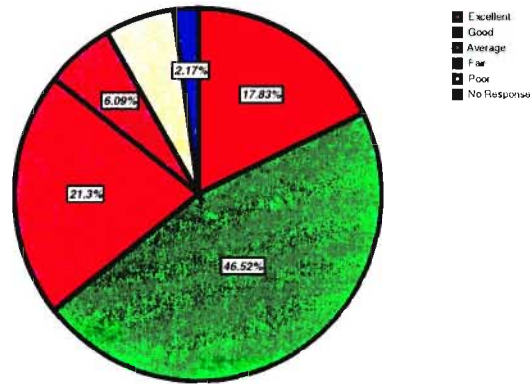


Figure 5.28: Current Levels of Satisfaction “Product Availability”

In a traditional sense, Product Availability refers to the firm presenting and offering a variety of goods or services in abundant quantities to consumers for purchase. With regards to this dissertation, Product Availability includes employees informing and assuring customers on goods that are or are not available at a specified time.

The most frequent response to this question was “Good” (46.5%). While 17.8% of the participants perceived it as being “Excellent”, 21.3% considered it to be “Average”. This means that these customers are apathetic to the Product Availability offered by the participating firm and other competing food outlets. Smaller fractions of participants (6.1%) believed this aspect to be “Fair” and “Poor”. The researcher linked the lowest response and satisfaction level - “Poor” to the store not having promotional toys available at the time it was advertised. This was offered as a strong recommendation by a respondent who rated this aspect as “Poor”.

5.4.9.9 Responsiveness

Table 5.29: Current Levels of Satisfaction –“Responsiveness”

Responsiveness		Frequency	Percent	Cumulative Percent
Valid	Excellent	42	18.3	18.3
	Good	80	34.8	53.0
	Average	39	17.0	70.0
	Fair	23	10.0	80.0
	Poor	41	17.8	97.8
	Missing	5	2.2	100.0
	Total	230	100.0	

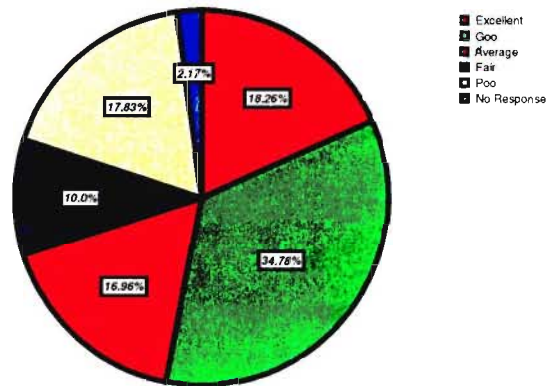


Figure 5.29: Current Levels of Satisfaction “Responsiveness”

Drawn from the quality service literature provided by Parasuraman et al. (1988 p82), “Responsiveness concerns the willingness and promptness of employees to provide service that satisfies customer needs”. This dimension of service quality also emphasizes the courtesy and compliance required by employees when dealing with customer requests, complaints and problems. Moreover, it captures the notion of flexibility and the ability to adapt the services offered to customers needs.

The frequency table and pie chart presented above support that the most frequent response to this question was “Good” (34.8%). While 18.3% of the participants perceived that the current level of Responsiveness was “Excellent”, 17% rated it “Average” and 10% considered this aspect to be “Fair”. Lastly, 17.8% of the respondents rated it “Poor”. This is an interesting finding as the response on both extremes of the Likert scale are very close (Excellent-18.3% and Poor-17.8%) with only one person apart. This could raise concern for the participating organisation.

5.4.9.10 Credibility

Table 5.30: Current Levels of Satisfaction –“Credibility”

Credibility		Frequency	Percent	Cumulative Percent
Valid	Excellent	42	18.3	18.3
	Good	89	38.7	57.0
	Average	47	20.4	77.4
	Fair	18	7.8	85.2
	Poor	26	11.3	96.5
	No Response	8	3.5	100.0
	Total	230	100.0	

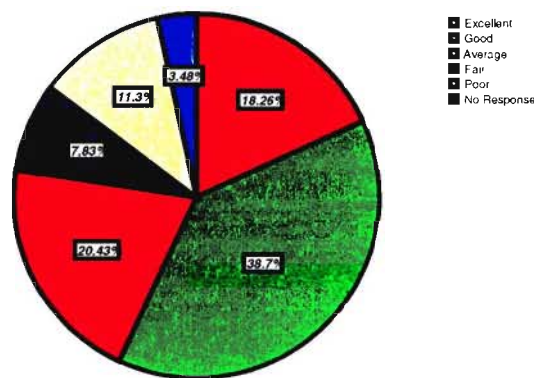


Figure 5.30: Current Levels of Satisfaction “Credibility”

The researcher refers to “Credibility” as the trustworthiness, believability and honesty of the organisation in providing quality goods and services to customers. Factors that contribute to a firm’s credibility include the organisation’s name and image, its reputation and the characteristics of its employees. The results show that the most frequent response to this question was “Good” (38.7%). While 20.4% of the participants rated this element as being “Average”, 18.3% considered the credibility of the firm to be “Excellent”. A smaller fraction of 7.8% perceived it as being “Fair”. Lastly, a considerable group of 11.3% of the participants rated the current level of the organisation’s Credibility as Poor.

5.4.9.11 Reliability

Table 5.31: Current Levels of Satisfaction –“Reliability”

Reliability		Frequency	Percent	Cumulative Percent
Valid	Excellent	47	20.4	20.4
	Good	73	31.7	52.2
	Average	41	17.8	70.0
	Fair	27	11.7	81.7
	Poor	35	15.2	97.0
	No Response	7	3.0	100.0
	Total	230	100.0	

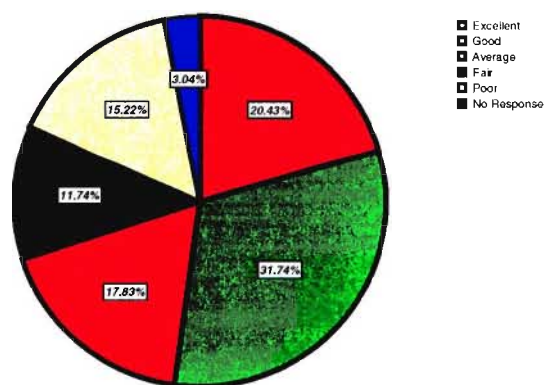


Figure 5.31: Current Levels of Satisfaction “Reliability”

For this dissertation, the researcher refers to reliability as the consistent and dependable performance of the service delivery. This includes the organisation’s ability to deliver goods and services at the right time, all the time. Additionally, since customers want to do business with companies that keep their promises, particularly those relating to core service quality attributes, it is important for staff to display reliability, affability and honesty (Cheales, 1996 p29).

The results indicate that the majority of the respondents supported the notion that the current level of Reliability offered by the firm was “Good” (31.7%). While 20.4% believed this aspect to be “Excellent”, 17.8% of the participants considered it to be “Average”. This meant that 41 respondents felt indifferent to the level of reliability offered by the organisation and surrounding competition.

Lastly, 11.7% of the participants rated the Reliability of the store as “Fair” and a larger number (15.2%) considered it “Poor”. The researcher identifies and links this low satisfaction level (Poor) to gaps which exist in the service delivery process. Moreover, if the findings are ignored or neglected further gaps could arise causing an increase in widening.

5.4.9.12 Courtesy, Care and Friendliness of Staff

Table 5.32: Current Levels of Satisfaction –“Courtesy, Care and Friendliness of Staff”

Courtesy, Care and Friendliness		Frequency	Percent	Cumulative Percent
Valid	Excellent	46	20.0	20.0
	Good	75	32.6	52.6
	Average	41	17.8	70.4
	Fair	34	14.8	85.2
	Poor	33	14.3	99.6
	No Response	1	.4	100.0
	Total	230	100.0	

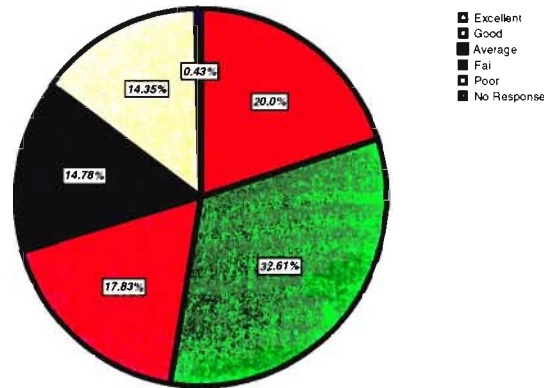


Figure 5.32: Current Levels of Satisfaction “Courtesy, Care and Friendliness of Staff”

This element of service quality refers to the politeness, respect, patience, consideration and friendliness of employees. It includes the neat appearance of staff and their showing that they genuinely care about the well-being of customers. This is a fundamental dimension of quality customer care, which should be practised throughout the service experience.

The results revealed that the most frequent response to this attribute was “Good” (32.6%). Whilst 20% of the participants rated this aspect as being “Excellent”, 17.8% considered it to be “Average” and 14.8% believed it to be “Fair”. Lastly, 14.3% of the respondents rated the current level of courtesy, care and friendliness as “Poor”. This could be disappointing to the participating organisation; however, not impossible to improve. This serves as an indication that gaps in the current service delivery process exist. The presence of these gaps could be as a result of the poor approachability or attitude of staff. The management team can adopt a “customer-friendly” attitude as a resourceful tool against competition.

5.4.9.13 Competency

Table 5.33: Current Levels of Satisfaction –“Competency”

Competency		Frequency	Percent	Cumulative Percent
Valid	Excellent	43	18.7	18.7
	Good	77	33.5	52.2
	Average	41	17.8	70.0
	Fair	30	13.0	83.0
	Poor	33	14.3	97.4
	No Response	6	2.6	100.0
	Total	230	100.0	

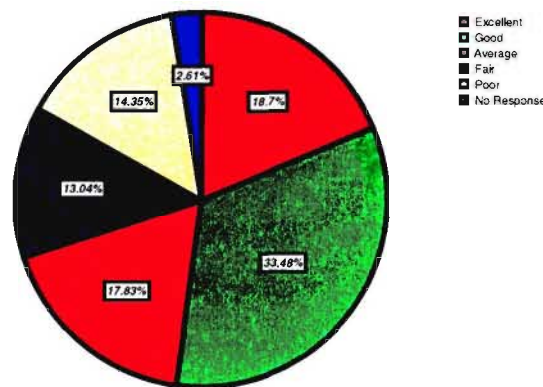


Figure 5.33: Current Levels of Satisfaction “Competency”

This aspect refers to the skilled and professional manner in which the service delivery is performed. It also involves an employee’s degree of product, service and organisational knowledge. The results show that the majority (38.7%) of the respondents rated the organisation’s Credibility as “Good”. While 20.4% of the participants rated this aspect “Average”, 18.3% of the participants believed it to be “Excellent”. Smaller groups of respondents rated this element as Fair (7.8%) and 11.3% as “Poor”. This is concerning as a greater number of customers rated this attribute as “Poor” rather than just “Fair”. Various reasons were offered by respondents which supported this low rating. They are discussed in the sections which follow.

5.4.9.14 Access

Table 5.34: Current Levels of Satisfaction –“Access”

Access		Frequency	Percent	Cumulative Percent
Valid	Excellent	71	30.9	30.9
	Good	108	47.0	77.8
	Average	25	10.9	88.7
	Fair	12	5.2	93.9
	Poor	11	4.8	98.7
	No Response	3	1.3	100.0
	Total	230	100.0	

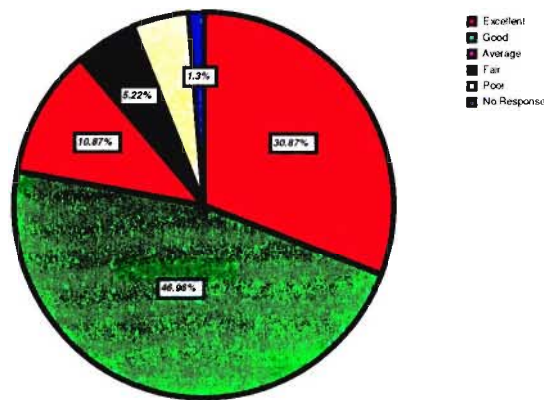


Figure 5.34: Current Levels of Satisfaction “Access”

This element refers to the convenience and accessibility of the organisation and its goods and services. The participating firm’s location can be described as a “bull’s eye” spot, as it is strategically positioned allowing customers to visit the store at their convenience (i.e. entering or leaving the mall and during shopping). The organisation makes this possible with its convenient operating hours. This gives shoppers sufficient time to visit the business during their lunch break, after work or with the family in the evening.

It is evident that the majority of the respondents believed that the Access to the firm was “Good” (47%). While 30.9% of the participants rated this aspect as “Excellent”, smaller groups in the sample considered the Access to the organisation as “Average” (10.9%),

“Fair” (5.2%) and “Poor” (4.8%). This attribute can be considered an advantage that the participating firm has in relation to the surrounding competition. Hence, the company can capitalize on this benefit to improve other elements mentioned above in an attempt to achieve superior customer care.

5.4.9.15 Physical facilities/tangibles of the store

Table 5.35: Current Levels of Satisfaction –“Physical facilities/tangibles of the store”

Tangibles of the Store		Frequency	Percent	Cumulative Percent
Valid	Excellent	53	23.0	23.0
	Good	95	41.3	64.3
	Average	42	18.3	82.6
	Fair	17	7.4	90.0
	Poor	19	8.3	98.3
	No Response	4	1.7	100.0
	Total	230	100.0	

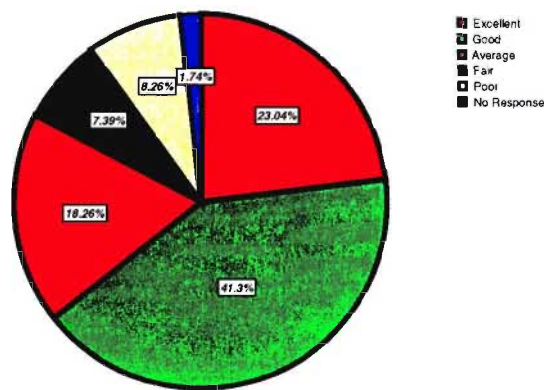


Figure 5.35: Levels of Satisfaction “Physical facilities/tangibles of the store”

This attribute refers to the physical amenities of the organisation - tables and chairs, signage, the appearance of staff and equipment (branded serviettes, trays and cutlery) which are used in the service delivery process. The results reveal that the most frequent response to this question was “Good” (41.3%). Thereafter, 23% of the participants rated

this aspect as “Excellent”, 18.3% considered it to be “Average” and 7.4% considered it to be “Fair”. Lastly, 8.3% of the respondents rated the tangibles of the business as “Poor”. This low level of satisfaction could be a result of gaps which exist in the service delivery process.

5.4.9.16 Knowledge and Understanding of Employees

Table 5.36: Current Levels of Satisfaction –“Knowledge and Understanding of Employees”

Knowledge and Understanding of Employees		Frequency	Percent	Cumulative Percent
Valid	Excellent	37	16.1	16.1
	Good	67	29.1	45.2
	Average	49	21.3	66.5
	Fair	38	16.5	83.0
	Poor	36	15.7	98.7
	No Response	3	1.3	100.0
	Total	230	100.0	

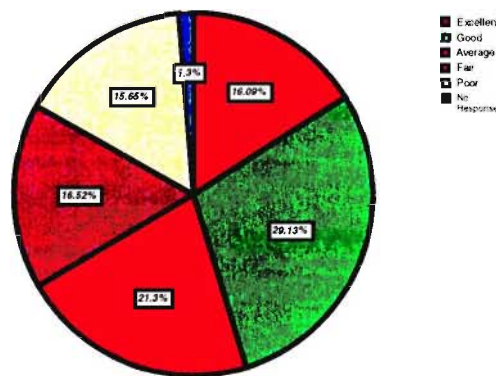


Figure 5.36: Current Levels of Satisfaction “Knowledge and Understanding of Employees”

Shahin (2007 p110) refers to Knowledge and Understanding as the “ability of employees to communicate with customers in a pleasant manner”. This includes the clarity and accuracy of both verbal and written information that is exchanged and the ability to listen and understand the customer needs. This element also involves the organisation making an

effort to learn and understand customers. This can be achieved through constructive research such as the undertaken study.

The results presented above show that the highest response to this question was “Good” (29.1%). While only 16.1% of the participants felt that employees were “Excellent” in their Product Knowledge and Understanding, 21.3% considered them to be “Average” and 16.5% believed them to be “Fair”. Lastly, 15.7% rated this aspect as “Poor”.

5.4.9.17 Consistency

Table 5.37: Current Levels of Satisfaction –“Consistency”

Consistency		Frequency	Percent	Cumulative Percent
Valid	Excellent	30	13.0	13.0
	Good	59	25.7	38.7
	Average	48	20.9	59.6
	Fair	43	18.7	78.3
	Poor	46	20.0	98.3
	No Response	4	1.7	100.0
	Total	230	100.0	

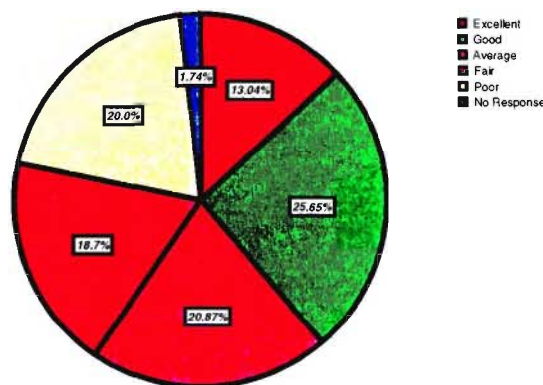


Figure 5.37: Current Levels of Satisfaction “Consistency”

Consistency can be regarded as the most important dimension to quality customer service. Parasuraman et al (1985 p82) suggests that Consistency refers “to an organisation’s commitment to satisfying customers, including the pride and satisfaction

that firm takes in doing so". For purposes of this dissertation, the researcher refers to Consistency as the competent delivery of quality service and the ability to keep to agreements made or advertised to customers.

The results above show that the highest response to this attribute was "Good" (25.7%). Thereafter, 20.9% of the participants rated the current level of Consistency as "Average", "Excellent" at 13% and "Fair" at 18.7%. Lastly, 20% of the participants rated this attribute as "Poor". These results mean that gaps could exist in the service delivery process as a result of Inconsistency.

5.4.10 Service Quality Attributes Considered Important by Participants

This question was specifically designed to determine which aspects of quality customer care customers perceive as being important when visiting the organisation. It also satisfies preliminary objectives of the study. They are:

1. To establish whether perceived key attributes of quality customer service exist at Ola Milky Lane.
2. To identify which of the perceived attributes of quality customer service customers consider as being most important.

Since the questionnaires were completed towards the end (sit-down) or after (take-away) their service experience, participants were assumed to be in the ideal mind set to choose those attributes which they considered to be important. This discussion is explained in relation to the frequency tables and pie charts included in Appendix 2. The results revealed that generally all attributes were perceived as being important aspects of quality customer service by respondents. Among the findings, the highest responses were accredited to:

- Reliability
- Attentiveness and Helpfulness
- Quality of Goods

- Timeliness
- Courtesy, Care and Friendliness
- Consistency

These attributes are concurrent with the SERVQUAL (Service Quality) elements discussed in the literature review. Aspects considered less important were:

- Access
- Comfort and Cleanliness
- Ordering Procedure

These factors remain important elements to service quality and, therefore, should not be neglected. Moreover, these aspects display customer patronage towards the participating firm irrespective of its location, ordering procedure or the tidiness of the business.

5.4.11 Current Level of Quality Customer Service Received

Table 5.38: Current Rating of Quality Customer Service Received by Participants

Current Level of Customer Service Received		Frequency	Percent	Cumulative Percent
Valid	Excellent	37	16.1	16.1
	Good	78	33.9	50.0
	Fair	40	17.4	67.4
	Poor	38	16.5	83.9
	Very Poor	33	14.3	98.3
	No Response	4	1.7	100.0
	Total	230	100.0	

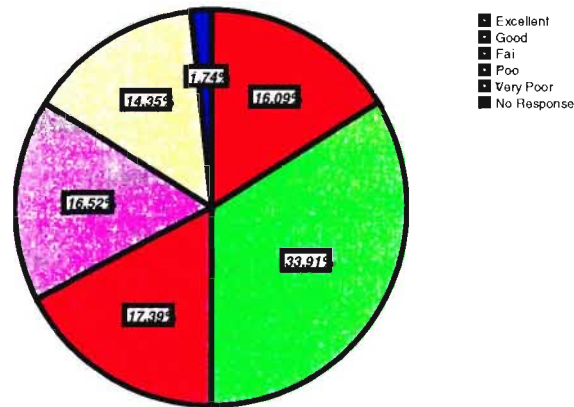


Figure 5.38: Current Rating of Customer Service Received

This question was integrated into the survey to establish the current perceptions held by customers toward the participating organisation based on the level of quality customer service they receive. It proved supportive by giving the researcher greater insight into the thoughts and mind-set of customers. The utilization of the Likert ranking scale enabled respondents to rate the general level of satisfaction received. This evaluation was done toward the end of the participant’s service experience.

Frequency table 5.38 and pie chart 5.38 above show that only 16.1% of the participants rated their overall experience as “Excellent”. A larger portion of the respondents (33.9%) felt that their overall experience was “Good”. While 17.4% considered that their experience was “Fair”, 16.5% felt it “Poor” and 14.3% “Very Poor”.

Upon closer examination of the results, the researcher found that Gaps in the service delivery process do exist as some respondents were unhappy or dissatisfied with the level of quality customer care received and hence their lower ratings (Poor and Very Poor). Therefore, responses from smaller groups of participants should not be ignored or neglected but should rather be used as an opportunity to close or minimise gaps which may exist.

5.4.12 Expectations vs. Actual Experience of Participants

Table 5.39: Expectations vs. Actual Experience of Participants

Expectations vs. Actual Experience		Frequency	Percent	Cumulative Percent
Valid	More than expected	28	12.2	12.2
	Somewhat better than expected	57	24.8	37.0
	About the same as expected	70	30.4	67.4
	Worse than expected	47	20.4	87.8
	Much worse than expected	26	11.3	99.1
	No Response	2	.9	100.0
	Total	230	100.0	

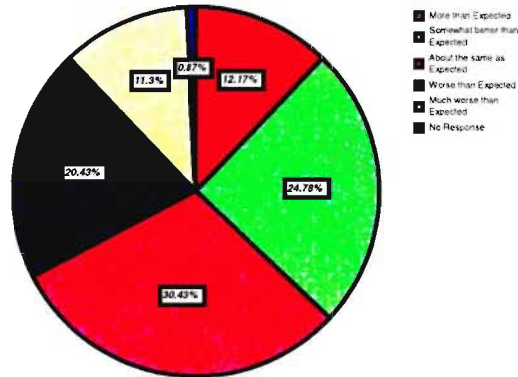


Figure 5.39: Expectations vs. Actual Experience of Participants

This question was coherently designed to further investigate the perceptions of customers. It established that customers have preconceptions of the level of quality customer care they expect to receive prior to visiting the organisation. Knowledge of these preconceptions enables a firm to position itself in relation to the surrounding competition. Alternative responses that were offered to participants regarding their expectations and their actual experience were:

- More than expected
- Somewhat better than expected

- About the same as expected
- Worse than expected
- Much worse than expected

Being a closed-ended question allowed for a higher probability of participants responding to the question rather than leaving it unanswered. The findings show that while 12.2% of the participants felt the level of quality customer service received was “More than expected”, 24.8% considered it “Somewhat better than expected” and 30.4% felt “Indifferent”. 20.4% of the participants responded by indicating that their actual experience was “Worse than expected”. Lastly, 11.3% of the participants rated their actual experience, compared to their expectations, as being “Much worse than expected”.

This question, in conjunction with the previous question, supports the existence of gaps in the delivery of service quality. The presence of these gaps could be related to negative customer experiences with the firm. Gaps can be minimised through combined efforts by management and employees to develop and maintain a differentiated level of quality customer care which is perceptible to customers.

5.4.13 Probability of Revisiting the Organisation based on the Current Level of Quality Customer Service Received

Table 5.40: Probability of Revisiting the Organisation

Revisiting the Organisation		Frequency	Percent	Cumulative Percent
Valid	Yes	150	65.2	65.2
	No	31	13.5	78.7
	Maybe	46	20.0	98.7
	No Response	3	1.3	100.0
	Total	230	100.0	

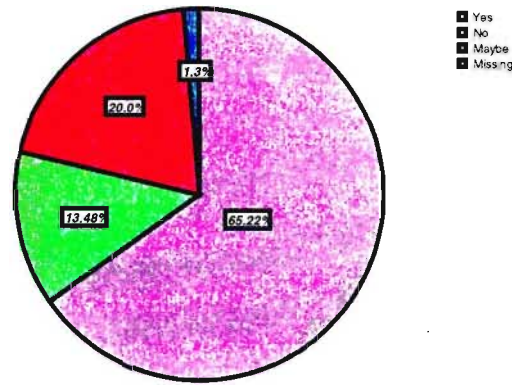


Figure 5.40: Probability of Revisiting the Organisation

This question forms a summary to the investigation into the current perceptions held by customers toward the participating firm. This part of the survey required participants to respond to “whether they would consider revisiting the store in the near future”, based on their recent experience with the organisation. The results revealed that a large group of participants (65.2%) responded that they would return to the store. Hence, the quality of their service experience was acceptable. 13.5% of the participants replied that they would not return to the store and 20% were uncertain. This means that service quality gaps are present because of poor and unacceptable experiences with the participating firm.

5.4.14 Recommendation to Potential Customers

Table 5.41 Recommend to Others (Family and Friends)

Recommend to Others		Frequency	Percent	Cumulative Percent
Valid	Yes	118	51.3	51.3
	No	44	19.1	70.4
	Maybe	66	28.7	99.1
	No Response	2	.9	100.0
	Total	230	100.0	

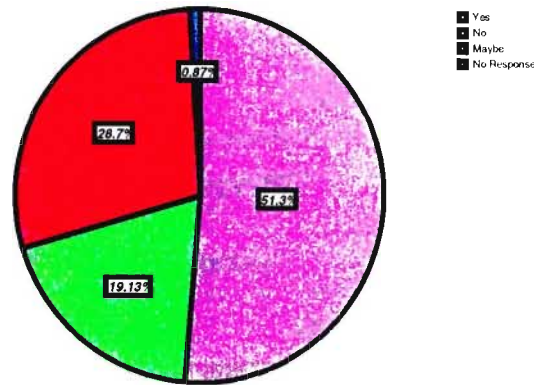


Figure 5.41 Recommend to Others (Family and Friends)

This question also summarizes the investigation into the current perceptions. Based on their experience with the firm, participants were asked whether they would advise others e.g. family and friends, to visit the store. The results revealed that 51.3% of the participants responded that they would advise other people to visit the store. While a smaller group of participants (19.1%) decided that they would not suggest the store to others, 28.7% participants were uncertain.

Going back to the objectives set out in chapter 1 and taking the findings into consideration it is again established that, gaps in the service delivery process do exist, as some participants felt the store was not worthy of recommendation. The lower results above can be linked to service quality gaps, which could have stemmed from negative experiences with the organisation. Hence, it is imperative for the participating management team to realise that consistent efforts must be made to ensure that every encounter between the firm and a customer is positive and pleasurable.

5.4.15 Suggestions and Comments offered by Participants

Table 5.42 Suggestions or Comments for Improvement

Suggestions and Comments for Improvement		Frequency	Percent	Cumulative Percent
Valid	More friendly Staff	36	15.7	15.7
	More Knowledgeable Staff	14	6.1	21.7
	Improve tables and chairs	8	3.5	25.2
	Check products before sending to customer	3	1.3	26.5
	Service is great - no changes	18	7.8	34.3
	More Consistency	23	10.0	44.3
	Offer pensioner discounts	2	.9	45.2
	No Response	126	54.8	100.0
	Total	230	100.0	

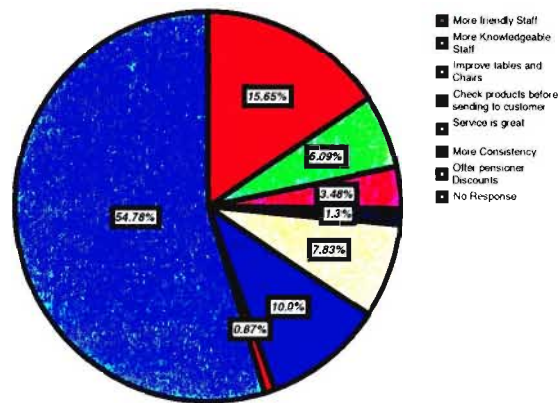


Figure 5.42 Suggestions or Comments for Improvement

This question was useful as it assisted the researcher identify further causes of gaps and areas of service quality which can be improved relating to those gaps. The frequency table and pie chart displayed above, show the various suggestions and comments that were offered by participants. They were:

- ✓ **More friendly staff (15.7%)** - This could mean that employees were not polite, hospitable or considerate towards respondents. Since this is an essential element

of service quality, the participating organisation should implement intensive customer care training programmes in an effort to minimise this break in service.

- ✓ **More knowledgeable staff (6.1%)** – This suggestion is a result of the inability to understand and communicate customer needs efficiently. A common question asked by the Muslim community was whether the products offered were halaal. Some employees were unable to deal with this situation or make suggestions, as they did not possess the relevant knowledge to do so. This could have been avoided if employees were trained and equipped with the necessary skills and product knowledge.

- ✓ **Improve tables and chairs (3.5%)** - This suggestion stems from the fact that tables were wobbly and chairs were unstable. As a result plates and glasses were unsteady on the table which often frustrated participants. This can be resolved by frontline employees (waitor's) performing routine store checks throughout the day ensuring that tables and chairs are tightened and cleaned.

- ✓ **Check products before they reach customers (1.3%)** – The production team should make certain that all products are defect free before they reach the customer. This includes the presentation of the product and the utensils used in its consumption. For example, a milkshake glass should appear clean and free of any chips on the rim of the glass and cutlery should always be sanitised before it is handed over to customers.

- ✓ **Consistency (10%)** – The researcher regarded Consistency as the most important attribute of quality customer service. This could have been offered as a suggestion due to the lack of commitment displayed by the participating organisation to satisfy customer needs. The firm can overcome this issue by means of a constant and effective customer care training programme.

- ✓ **Offer Pensioner discounts (0.9%)** – This idea was offered by elderly people who visit the store on a regular basis. In its approach to improve the level of quality service offered, the firm should consider offering vouchers or discounts to its loyal pensioner customers.

5.5 RELIABILITY

Cronbach's Alpha was calculated as part of the reliability test to assess how valid the results were and to generalise if we increased the sample size. A value of 0.7 or higher is a very good value that indicates that there will be the same results if the survey was carried out with a larger sample of customers (Sekaran, 2002 p308). The Cronbach's Alpha was calculated to be:

Reliability variables = Hospitality, Attentiveness, Comfort and Cleanliness, Ordering Procedure, Timeliness, Order Accuracy, Quality of Goods, Product Availability, Responsiveness, Credibility, Reliability, Courtesy Care and Friendliness, Competency, Access, Physical facilities, Understanding of staff, Consistency

/Format=No Labels*

/Scale(ALPHA)=All/Model=ALPHA*

Reliability Analysis – Scale(ALPHA)*

Reliability Coefficients*

N of Cases = 230.0

N of Items = 17

Alpha = .8643

The interpretation of the alpha calculated for all the questions is a very good value (it is > than 0.7), implying that the results are a good reliable representation of the population and their opinions about the different variables of quality customer service.

5.6 SUMMARY

This chapter provides insight into the current perceptions held by customers towards the participating organisation based on the quality of customer service received. Each question, together with the findings, was discussed in relation to theory. Many observations were made, most of which answered objectives set out at the beginning of the study. Objectives and conclusions will be discussed in the next chapter, followed by recommendations.

CHAPTER 6

CONCLUSIONS

6.1 INTRODUCTION

This final phase looks back at the objectives set out at the preliminary stages of the study and compares them with the findings discussed in the previous chapter. The objectives formed the focal point of the research as they guided the study in terms of not losing the main aim. The objectives were as follows:

1. To establish whether key attributes of quality customer service as perceived by customers exist at Ola Milky Lane.
2. To identify which of those perceived attributes of quality service customers of Ola Milky Lane consider as being most important.
3. To determine whether the level of quality service received by customers of Ola Milky Lane influences their perceptions of the organisation.
4. To establish whether gaps between the expected level of service and actual level of service received by customers exist.
5. To identify the reason/s for the presence of those gaps which may exist.
6. To determine how any gaps can be reduced.
7. To identify further processes, if any, which can be implemented to continuously refine or close any gaps that exist.

The format of this chapter commences with a discussion of objectives, followed by statements which relate to and support them.

6.2 RESEARCH OBJECTIVES REVISITED

6.2.1 Objective 1: To establish whether key attributes of quality customer service as perceived by customers exist at Ola Milky Lane.

In investigating the current perceptions held by customers toward the participating organisation and, more specifically, the primary objective of the study, (i.e. whether or not the store is meeting their customers' perceptions in terms of perceived key attributes) this objective was formed to establish whether service quality attributes exist.

This objective is supported by various questions included in the survey (Appendix 1). For example, since service quality attributes can be translated into preferences for visiting the organisation, question 8 satisfies this objective as it identifies and ranks these motives in order of importance. This question also established that participants have particular reasons for visiting the organisation, such as the "Quality of Goods offered", "Atmosphere of the Store", "Convenience" and so on.

In view of the fact that customer service is practised at both contact points (sit-down and take-away), it is only rational that core attributes of service quality exist at both extremes. Question 3 of the survey supports this notion, as participants were requested to indicate their preferred choice of purchase and provide reasons for their preferred purchase. The findings revealed that the majority of the participants (69.1%) preferred being seated, 20.4% preferred a take-away and 9.6% enjoyed both. Various reasons were offered by participants in support of their choice, for example motives for being seated included, "Its More Relaxing", "Receive More Attention" and "It's much More Comfortable". Hence, this discussion supports the objective of whether perceived key attributes of quality customer service exist.

6.2.2 Objective 2 : To identify which of those perceived attributes of quality service customers of Ola Milky Lane consider as being most important.

The previous objective established that key attributes pertinent to the quality of customer service offered do exist. This objective was formed with the aim of identifying which of those attributes are considered most important by customers when visiting the organisation. The results discussed in the previous chapter (Question 26, Appendix 1) suggested that generally all attributes were perceived as being significant aspects of service quality. Amongst the results, the highest scores were accredited to:

- Reliability
- Attentiveness and Helpfulness
- Quality of Goods
- Timeliness
- Courtesy, Care and Friendliness
- Consistency

These attributes are concurrent with the SERVQUAL (Service Quality) elements discussed in the literature review. The researcher regards these aspects as key influences on customers and their decision making processes.

Question 8 of the survey (Appendix 1) further supported this statement as it presented participants with the opportunity to offer their motives for visiting the firm in order of importance. Once again, these motives can be translated into attributes of quality customer service. The highest ranked preferences for visiting the store included:

- Quality of Goods
- Level of Quality Customer Service offered
- Convenience and Location of the Store

The attributes mentioned above serve as evidence that key elements of quality customer service do exist at the organisation and they are regarded as important by customers. Therefore, this statement is supported.

6.2.3 Objective 3: To determine whether the level of quality service received by customers of Ola Milky Lane influences their perceptions of the organisation.

The survey was designed around the notion that the level of quality customer service offered influences customer perceptions. This concept served as the foundation when forming the research questions, objectives and the methodology of the study. The statement above stems from the primary purpose of the research which is to investigate the current perceptions held by customers based on the level of quality customer service received.

The researcher considered it important to establish whether participants acknowledged the role that service quality plays in their experience with the firm. This was satisfied by the inclusion of Question 4 (Appendix 1), as this question was designed to determine whether participants believe that the level of quality customer service offered is significant when visiting the store. The findings revealed that the majority of participants (80.4%) felt that the level of customer service does play an important role in their decision-making.

Question 7 of the survey (Appendix 1) further supports the above objective as it was developed and included to confirm whether perceptions are influenced by the image a store portrays. The service literature (chapter 2) stated that a number of factors are considered to influence customer perceptions through combined efforts of advertising, public relation, physical image, word of mouth and their actual experiences. The findings revealed that a large portion of respondents believed that the image of the store does shape their perceptions toward the firm.

This discussion supports the objective stated above, i.e. whether the level of quality customer service received by customers influences their perceptions.

6.2.4 Objective 4 : *To establish whether gaps exist between the expected level of service and actual level of service received by customers.*

The starting premise for the Gap Analysis Model is that “perceived service quality (satisfaction with service) is a function of the difference between expected service levels and actual delivered service” (Parasuraman et al, 2001 p144). Going back to the literature review, the Gap Analysis Model or SERVQUAL (Service Quality) assists organizations such as the participating firm to identify possible causes of poor service.

This objective and the ones to follow were developed using this model of thought. The findings relating to this objective not only helped the researcher identify possible causes of gaps or breaks in the service delivery process but also serves as a source of encouragement for the organisation to work towards remedying or closing those gaps in an attempt to achieve superior quality customer care.

Taking into consideration that two purchase or contact points exist at the store, this objective was also formed to further investigate the perceptions held by customers at both points. Various questions included in the survey supported this objective. For example, question 5 (Appendix1) established that a large portion of the participants (53.5%) believed that differences in the level of quality customer service offered at both purchase points exist. These differences translate into gaps or breaks in the service delivery process. Various reasons were offered in support of the different levels of quality customer service offered. They included:

- No rush when ordering (in favour of sit-down)
- No standing and waiting in long queues (in favour of sit-down)
- More Attention (in favour of sit-down)
- Take away is impersonal (in favour of sit-down)
- Better service offered when being seated (in favour of sit-down)
- Much quicker and efficient (in favour of take-away)
- Much cheaper (in favour of take-away)

Once more in keeping with the Gap Analysis Model of thought, Question 6 (Appendix 1) was included in support of the current objective. This question related to the level of consistency that existed concerning the level of quality service offered. The results revealed that 37% of the participants thought that no consistency existed in the level of quality customer service offered. Consequently, valued customers may believe that the treatment they receive at one point differs from the other. Thus, inconsistency in the levels of quality customer care can be seen as a cause for the presence of gaps in service delivery.

Questions 27 (Appendix 1), also supported this objective as it offered participants the opportunity to rate the level of quality customer service they received. Upon close examination, the findings revealed that 16.5% of the participants felt that they were “Poorly” treated and 14.3% felt that they were “Very Poorly” treated. These findings translate into discrepancies that could exist in the delivery of service quality. Hence, these participants were dissatisfied with the level of quality customer service received.

Question 28 was coherently designed to investigate the current perceptions of customers. This question established that customers have preconceptions about the level of quality customer care they expect to receive before visiting the firm. This enables the business to position itself in relation to customer expectations. Among the lower responses to this question, 20.4% of the participants felt that the quality of service they received was “Worse than expected” and 11.3% of the participants considered it “Much worse than expected”. These negative experiences with the organisation could stem from gaps that are present in the service delivery process.

Question 29 and 30 (Appendix 1) formed a summary to the research questionnaire which facilitated the investigation into the current perceptions held by customers. These questions required participants to respond to whether or not they would revisit and recommend the store to others based on their recent service experience. The findings revealed that 13.5% of the participants responded that they would not consider revisiting the store and 19.1% felt that the store is not worthy of recommendation. These results can

be related to unsatisfactory levels of quality customer service. This discussion supports the notion that gaps or breaks in the service delivery process are present.

6.2.5 Objective 5 : To identify the reason/s for the presence of those gaps which may exist.

This objective was designed to specifically identify the reasons for the presence of gaps which may exist in the delivery of service quality. Potential motives for the presence of these gaps are related to question 5&6 as well as questions 27-29 (Appendix 1). Question 5 established that gaps relating to the level of quality customer service delivered at both service (purchase) points of the firm do exist. The reasons for the presence of these gaps are linked to the perceived difference in the levels of quality service received at different points by customers. Participants in favour of their preferred choice of purchase offered various supporting responses. These responses were translated into reasons for the presence of service quality gaps at different purchase points in the organisation. Drawn from chapter 4, the reasons included:

- It's more relaxing being seated and placing an order
- A Higher Level of quality customer care is offered when being seated compared to take-away
- More Attention (e.g. extent of eye contact) is received when being seated compared to take-away
- Take-away regarded as being very impersonal

Question 6 (Appendix 1) also satisfies the current objective as it established that gaps which exist can be related to the inconsistent levels of service quality practised by the firm. Consequently, valued customers may be led to believe that the treatment they receive at one purchase point differs from the other. Hence, efforts must be undertaken by the participating firm to ensure that this gap of inconsistency is minimised and prevented from further widening.

Questions 27&28 serve as further evidence that gaps in the service quality process do exist. The rationale for these breaks in service quality are related to the current service quality rating of the organisation (Q27) and customers' expectations of the store compared to their actual experience (Q28). Questions 29&30 not only serve as a summary to this investigation but also maintain that service quality gaps once again do exist as some participants felt that they would not consider revisiting or recommending the firm to potential customers. These reactions could stem from negative experiences with the firm as a result of gaps.

This discussion serves as testimony that this objective has been achieved.

6.2.6 Objective 6 : To determine how any gaps can be reduced

The literature review suggests that the delivery of service quality is an essential strategy to an organisation's success. Consequently, in delivering superior service managers must understand how customers perceive and evaluate the service that they receive. This notion was used to ground and guide the researcher through the research process. Concerning the objective above, service quality gaps that exist can be closed or prevented from widening further by implementing the suggestions and comments offered by participants. This can be regarded as a starting premise to achieve superior quality customer service.

Drawn from chapter 4, the following findings relate to the objective of whether service quality gaps can be closed or minimised:

- **Perceived Difference in the Level of Quality Customer Service received**

The results relating to this statement revealed that the majority of the respondents believed that differences in the levels of service quality at both purchase points do exist. These differences can be translated into reasons for the presence of gaps or breaks in the service delivery process. Various reasons were offered by participants in support of these differences (pg 16). The results may tempt the organisation to concentrate on improving the quality of service offered to seated customers only as they spend more time with the organisation than take-away

customers do. This would seem more profitable. However, ignoring the level of quality customer service offered to take-away customers could lead to existing gaps widening further. Hence, it is imperative that the firm make efforts to smooth out the levels of quality customer service at both purchase points.

- **The significant role Quality Customer Service plays in decision making**

Since the primary focus of the research study was to investigate the current perceptions held by customers based on the level of quality customer service received, question 4 (Appendix 1) was particularly included in the survey. The results of this question confirmed that quality service does play an important role to customers when visiting the organisation. Hence, a poor or negative experience with the firm or through “word of mouth” could result in customers not visiting and recommending the store to potential customers. In closing or preventing service quality gaps from widening further, it is imperative that the participating business make every effort to ensure that every experience a customer has with the firm is positive and pleasurable.

- **Consistency**

The development of this idea in the research (Question 6, Appendix 1) enabled the researcher to establish that, 1) gaps in the service delivery process between the business and the customer do exist, 2) the reasons behind the existence of those gaps and, 3) the determination of whether those gaps can be closed. The results relating to question 6 indicate that gaps are present as a result of inconsistent service quality levels. Efforts that can be undertaken to minimize gaps can take the form of an effective and intensive customer care training programme. This should help smooth out inconsistent levels of quality customer service.

- **Current Rating of the Level of Quality Customer Service Received**

Once more, this issue was integrated into the research to gain further insight into the current perceptions held by customers. Upon closer examination of the results (pg 53), the researcher concluded that gaps are present as participants were dissatisfied with the level of quality customer service received. Hence, their

responses to the current level of quality customer service received were “Poor” and “Very Poor”. These gaps can be closed or minimized by improving and maintaining those attributes considered most important by customers and by means of the recommendations offered by respondents.

The above findings support the objective that service quality gaps can be closed.

6.2.7 Objective 7: To identify further processes, if any, which can be implemented to continuously refine or close any gaps that exist.

Drawn from the suggestions and comments offered by participants, the following processes can be implemented to refine or close gaps that are present in delivery of service quality.

6.2.7.1 Maintain sufficient levels of Stock

Concerning the research study, many participants rated Product Availability, as an attribute of service quality, as being “Poor”. This response resulted from goods not being accessible to customers when requested. Hence, participants perceived the organisation’s current level of quality customer service to be much lower than expected. This perception can be linked to promotional goods (e.g. toys and coffee mugs) not being available.

Ensuring that sufficient levels of stock are available should be the responsibility of those team leaders involved with inventory control. Anticipated deficiencies in these stock levels should be communicated to employees so that they can be more informative to customers. This prevents confusion and gaps from arising relating to the unavailability of products. It is essential for a participating organisation to have an abundant supply of goods advertised. Hence, efforts should be made to ensure that all goods are accessible to customers. This can be achieved through strong internal and external supplier relationships.

6.2.7.2 Ensure Tables and Chairs are secure at all times

This suggestion was offered by participants as a result of tables and chairs being wobbly and unstable. Consequently, plates, glasses and cutlery were unsteady on the table which frustrated participants. This can be resolved by front-line employees (waiters) performing daily routine store checks. For example, tables and chairs should be tightened at 3 hour intervals. This should be integrated into the daily procedures that are followed. Procedures such as this can be implemented in an attempt to refine gaps which exist, thus improving and maintaining service excellence. Moreover, this will reduce additional costs spent on purchasing crockery caused by excess breakages

6.2.7.3 Position trained employees at the take-away (or kiosk area)

Some respondents felt that the current level of customer service was poor as a result of less trained staff being available at the take-away counter. Hence, these participants perceived the take-away as being slow and inconsistent compared to being seated. This notion indicates that discrepancies exist in the levels of service quality offered when purchasing a take-away and sit-down. The rationale for the existence of this gap could be related to the number of people situated at each service point. For example, 4-8 waitrons are positioned at the sit-down area and only 2 employees are situated at the take-away counter; hence the slow and inefficient service. The management team can strategically position trained staff at both service points so that the levels of inconsistency are smoothed out, especially during busy times.

6.2.7.4 Keeping the seating area professional

This suggestion stemmed as a result of management holding staff meetings in the presence of seated customers. Participants felt this unprofessional and uncomfortable hearing grievances being discussed. Management restricting meetings after working hours can resolve this matter.

6.2.7.5 Adopt a new customer service approach

This critical element of quality customer care involves the politeness, respect, courtesy, considerate and affable manner in which employees conduct themselves. The findings in chapter 4 revealed that the low responses relating to this aspect of service quality resulted from insolent, abrupt and callous behaviour.

In achieving excellent service, the participating firm needs to adopt a new customer focused approach. This fresh attitude towards customers should serve as a resourceful tool against the fierce competition that exists at the Midlands Liberty Mall, particularly in the food court. Furthermore, this should be practised throughout the organisation. Since some participants perceived the take-away to be impersonal, it is important that the organisation reverse this notion by offering efficient and accurate service in a responsive and pleasant manner consistent with that offered when being seated.

Management, together with the assistance of the franchisor, should also implement intensive customer care campaigns, which stress the important role quality customer service plays in the survival of any business. These recommendations can assist the participating firm refine or close and also facilitate the prevention of other gaps from surfacing. Using recurring suggestions and comments offered by respondents, this discussion identified processes which can be implemented to continuously refine and close the gaps in the delivery of quality service. Hence, this objective has been satisfied.

6.3 SUMMARY

The hypothesis of the research was developed with a view to it not being an item on a check list which must be satisfied, but rather served as an opportunity to communicate valuable information to the management team to enable them to make informed decisions. The development of the primary and other objectives also facilitated a clearer, precise research study by setting boundaries. This report has attempted to explore the perceptions held by customers based on the quality of customer service received. To achieve this, 7 objectives were postulated for investigation. Arising from this investigation, the following conclusions were drawn:

1. Perceived key attributes of quality customer service do exist at Ola Milky Lane – Liberty Mall.
2. Those perceived key attributes of quality customer service that are considered to be important have been identified.
3. The level of quality customer service received does influence customers and their perceptions of the store.
4. It has been established that gaps in the delivery of service quality between the organisation and the customer do exist
5. The reasons for the presence of those gaps have been identified.
6. These gaps can be minimised or closed.
7. Appropriate processes have been identified which can be implemented to continuously refine and close those gaps.

Taking the findings into consideration and in conclusion to the study, it is safe to say that customers have an overall positive perception toward the level of customer service offered by the store.

Hence, the **Null Hypotheses**, that Ola Milky Lane – Liberty Mall is not meeting their customer's perceptions in terms of the perceived key attributes of quality customer service, is rejected and, the **Alternative Hypotheses**, that Ola Milky Lane is meeting their customer's perceptions in terms of the perceived key attributes of quality customer service, is accepted.

CHAPTER 7

RECOMMENDATIONS

7.1 FURTHER RECOMMENDATIONS

When participants were asked to rank the level of quality customer service they received, it was evident that gaps between their expectations and reality (actual experience) existed. As discussed in the literature review, companies must ensure that this gap between customer expectations and the perceived service delivery is kept as small as possible (Palmer, 2001 p230). In addition to the recommendations discussed in the previous chapter, Palmer (2001 p230) offers further suggestions which can be related to Ola Milky Lane's specific situation regarding the quality of customer service offered. They include:

7.1.1 Formulating a marketing mix that is as realistic as possible

For a large organisation, such as the participating firm, looking after the individual needs of customers can be unrealistic and sometimes unachievable. This may result in impractical expectations not being met, which ultimately leads to dissatisfied customers. Therefore, the organisation needs to carefully examine the perceptions of customers using the research as a starting point, and thereafter plan how targets and expectations can be met using the resources of the firm.

7.1.2 Non-marketer dominated factors such as word-of-mouth information should be considered as an additional form of marketing

Many participants were believed to have had a negative experience with the firm, hence their ratings of Poor and Very Poor. Some of these participants indicated that they would not revisit or recommend the store to potential customers. The presence of these negative perceptions would then decrease expectations as well as foster a negative judgement of the firm. It is a well known fact that dissatisfied customers tell a greater number of people about a bad service encounter than a good service encounter. In essence then the

negative percentages quoted in chapter 4 regarding the poor levels of service received should be multiplied numerous times to account for the actual damage those negative experiences and perceptions have had on the store.

Consequently, it is essential for the organisation to look after its current customers, ensuring that their experiences are always pleasurable and positive. Ensuring this will ascertain that an optimistic word-of-mouth is spread. Although the study indicated that some participants had a negative experience, therefore a negative perception of the business, the research did establish that the firm, at the same time, is satisfying its customers. This strength must be maintained and continued to ensure positive perceptions. Management can do this by constantly researching customers' needs as well as whether the organisation is fulfilling those needs.

7.1.3 Management must understand that the relationship between a customer's perceptions and their expectations is dynamic

This means that the franchisor and franchisee (participating organisation) must keep their fingers on the pulse of the market, especially where marketers need to be keenly aware of the latest trends, tastes and preferences. What customers considered important a few years ago is completely different to what people think today. For example, the modern sophisticated working woman, who has less time to prepare supper, may prefer to purchase take-out or eat out with the family as it is considered to be more convenient and hassle free than slogging away in the kitchen. Thus, consumers' eating habits and lifestyles have changed in recent times.

The organisation must also realise that the local competition in the food court at the Midlands Liberty Mall would instinctively increase the expectations customers have of the store. Hence, the firm does not operate in isolation and must be aware of factors such as, the product offerings, promotions and pricing structure of competitors. Moreover, the organisation should pre-empt strategies that rivals may employ, enabling them to be proactive instead of reactive.

7.1.4 The organisation's Positioning Strategy

Positioning had been described as finding a niche in the customers' mind that no other product or service occupies (Schiffman & Kanuk, 1994 p186); hence, positioning is founded on perceptions of customers. Palmer & Cole (1995 p333) are convinced that service organisations have more work to do in the positioning of a service because of its intangibility. One of the ways to overcome the problem of intangibility is to create an image that differentiates it from competitors. The issue then is more one of communicating that image to customers. The researcher thinks of positioning as an attempt to distinguish an organisation from competitors based on the dimensions that add value to customers. Adding value and satisfying customers' needs should be the heart of a company that has incorporated this marketing concept.

This, as a recommendation, seeks to guide the participating firm in developing an effective positioning strategy, using principles suggested by Payne (1995 p108). Determining the levels of positioning is related to the decision of whether to position the service industry as a whole (industry positioning), the company as a whole (organisational positioning), a range of products and services offered by the business (sector positioning) or, the positioning of specific products or services (individual product or service positioning) – (Adcock, 2000 p 18).

In terms of organisational positioning, the firm needs to look at positioning itself based on the 6 most important attributes identified in this research. In other words the organisation needs to position itself based on the benefit and value added through high Reliability, Attentiveness and Helpfulness, Excellence in the Quality of Goods, Timeliness, affable Courtesy, Care and Friendliness and Consistency. The organisation should also adopt an "individual product positioning" strategy which should position certain aspects to specific target markets. For example, the store could highlight the new savoury products that have been introduced into the menu or the delicious new sugar free products for diabetics and weight watchers. The firm could also emphasise attributes in targeted communications with customers such as the Excellent Quality of goods or the fast and friendly Service.

7.2 SUMMARY

Payne supposed that positioning is heavily dependent on the ability of the firm to differentiate itself from its competitors effectively (1993 p96). In other words by offering superior value through quality customer service to customers, Ola Milky Lane can differentiate itself effectively. It was also suggested that the positioning of a service includes establishing a value for the service in the mind of the consumer (Payne, 1993 p96). Hence, the positioning must be distinguishable by an attribute that is considered important by a customer. With regards to the research study, these important attributes are Reliability, Attentiveness and Helpfulness, Quality of Goods, Timeliness, Courtesy, Care and Friendliness and Consistency. These aspects are key criteria that customers use in their decision making processes.

Knowledge of these attributes gives the organisation a greater advantage when positioning itself and designing future marketing campaigns as it is on these elements that customers place value. The literature review has spoken of how important it is for a business to establish what is considered as being important to customers and match or tailor those needs with the products and service offered by that business. The research study has satisfied this notion. Hence, the benefits of this research for management are numerous as marketers can develop specific strategies around the abovenamed attributes. Moreover, Ola Milky Lane can now communicate effectively to its target market by highlighting its strengths, using the attributes considered most important.

CHAPTER 8

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Appendix 1

Dear Participant

I am a Masters student at the University of KwaZulu Natal conducting a research study to attain my degree. The following questionnaire forms an integral part of the research which I am conducting concerning the quality of customer service offered at Ola Milky Lane. The questionnaire will take no longer than 5-10 minutes of your time. All responses will be anonymous, confidential and will only be used for purposes pertaining to the research study. Your valuable contribution will assist Ola Milky Lane develop new and improved strategies to provide superior service to customers as yourself. Your participation will be gratefully appreciated.

Should you require further details concerning this survey, please do not hesitate to contact my supervisor Dr W. Raubenheimer of The University of KwaZulu-Natal or myself on the contact numbers provided below:

Dr W. Raubenheimer (Supervisor to the study)

University of KwaZulu Natal-Pietermaritzburg (UKZN)

School of Business Management

Telephone: 033-2606101

Melissa Kisten (Researcher)

Cellular : 072 869 0626

Declaration by Participant

I, _____ (the participant) hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT

DATE

Please answer the questions that follow:

1. **Approximately how long have you been a customer of Ola Milky Lane?**
 0-1 year 1-2 years 2-3 years 3-4 years 5 years and over
2. **On average how often do you visit Ola Milky Lane?**
 Weekly Monthly Yearly Other (please specify) _____
3. **Do you / or your family prefer :**
 Placing a take-away order at the kiosk Being seated and placing an order
 Why? _____
4. **Does the level of Customer Service received play a significant role in deciding whether or not to visit an Ola Milky Lane store?**
 Yes No
5. **Does the level of Customer Service offered differ from being seated and placing an order to placing a take-away order?**
 Yes No
 Why? _____
6. **Do you believe that the levels of Customer Service received at Ola Milky Lane-Liberty Mall is consistent?**
 Yes No
7. **Does the image that Ola Milky Lane demonstrate influence your perceptions (your feelings/attitude) toward the store ?**
 Yes No Maybe
8. **Why do you prefer visiting Ola Milky Lane – Liberty Mall?**

(Please rank your preferences in order of importance, for instance, 1 = most important, 2 = important, 3 = average, 4 = less important, 5 = not important)

	Your Ranking
8.1 Level of quality customer service offered	
8.2 Quality of goods offered	
8.3 Pricing Structure	
8.4 Atmosphere of the store	
8.5 Convenience (access/location) of the store	
8.6 Branding and general Image of the store	
8.7 Other	

Please indicate your levels of satisfaction with the Customer Service offered using the following as attributes:

<i>ATTRIBUTES</i>	<i>Excellent</i>	<i>Good</i>	<i>Average</i>	<i>Fair</i>	<i>Poor</i>
9. "Hospitality"					
10. "Attentiveness/Helpfulness"					
11. "Comfort and Cleanliness"					
12. "The Ordering Procedure"					
13. "Timeliness"					
14. "Order Accuracy"					
15. "Quality of goods"					
16. "Product Availability"					
17. "Responsiveness "					
18. "Credibility"					
19. "Reliability"					
20. "Courtesy, Care and Friendliness of staff"					
21. "Competency"					
22. "Access" (convenience and location of the store)					
23. "Physical facilities/tangibles of the store" (this includes the appearance of the entire store, the surroundings, equipment, appearance of staff, utensils etc.)					
24. "Knowledgeable and Understanding of staff"					
25. "Consistency"					

26. Which of the attributes listed above would you consider to be most important when visiting Ola Milky Lane?

27. In general, how would you rate the service just received? (seated or take away)

Excellent Good Fair Poor Very Poor

28. How would you compare the way the store's customer service was actually delivered with the way you anticipated that it would provide the service in terms of the attributes mentioned above?

More than expected
Somewhat better than expected
About the same as expected
Worse than expected
Much worse than expected

28. Would you consider visiting this Ola Milky Lane store in the near future?

Yes No Maybe

29. Would you advise/recommend friends and family to visit the store based on your experience?

Yes No Maybe

30. Do you have any suggestions or comments on areas of customer service which you feel can be improved at this store?

The following questions are for classification purposes only and will not affect your anonymity. Please indicate with a tick.

31. Gender

Male Female

32. Age

Under 20 20-29 30-39 40-49 50 and over

33. Race

Black Indian White Coloured

34. On an average visit to Ola Milky Lane, approximately how much do you spend?

R0 - R25 R26 – R50 R51 – R75 R51 – R100 R100 and over

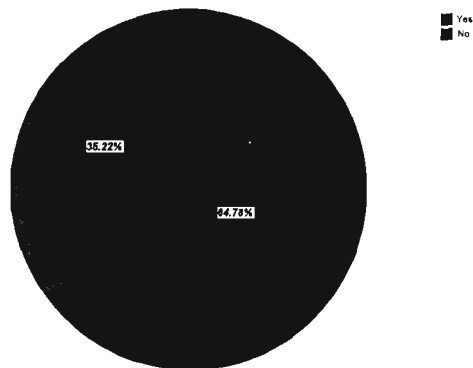
Thank you for taking the time to complete this questionnaire!

Appendix 2

Attributes considered Important by Participants

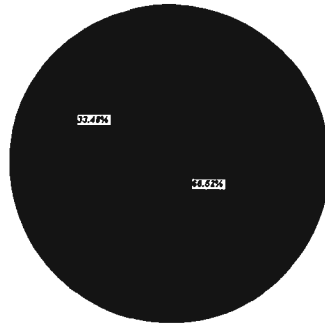
Hospitality

		Frequency	Percent	Cumulative Percent
Valid	Yes	149	64.8	64.8
	No	81	35.2	100.0
	Total	230	100.0	



Attentiveness/Helpfulness

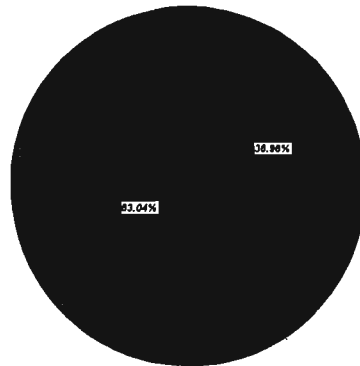
		Frequency	Percent	Cumulative Percent
Valid	Yes	153	66.5	66.5
	No	77	33.5	100.0
	Total	230	100.0	



■ Yes
■ No

Comfort and Cleanliness

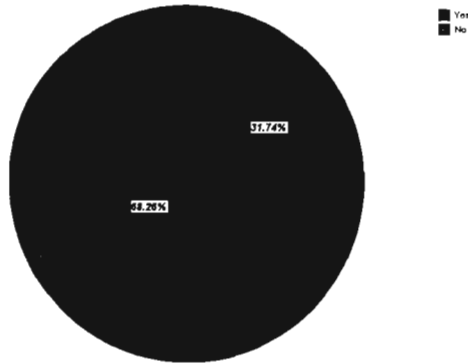
	Frequency	Percent	Cumulative Percent
Valid Yes	85	37.0	37.0
No	145	63.0	100.0
Total	230	100.0	



■ Yes
■ No

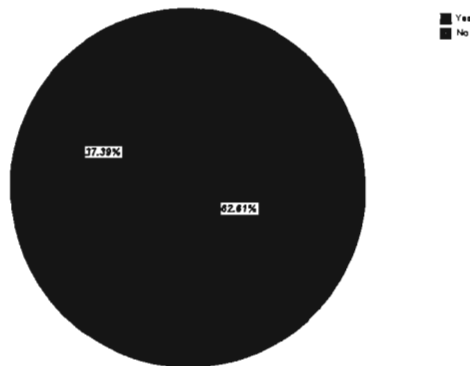
Ordering Procedure

	Frequency	Percent	Cumulative Percent
Valid Yes	73	31.7	31.7
No	157	68.3	100.0
Total	230	100.0	



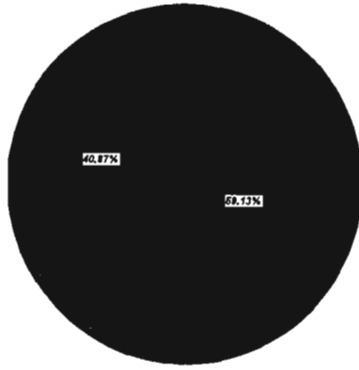
Timeliness

		Frequency	Percent	Cumulative Percent
Valid	Yes	144	62.6	62.6
	No	86	37.4	100.0
Total		230	100.0	



Order Accuracy

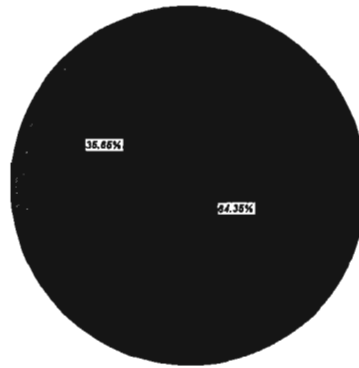
		Frequency	Percent	Cumulative Percent
Valid	Yes	136	59.1	59.1
	No	94	40.9	100.0
Total		230	100.0	



■ Yes
■ No

Quality of Goods

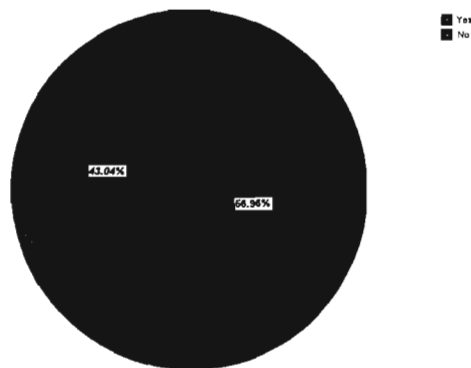
		Frequency	Percent	Cumulative Percent
Valid	Yes	148	64.3	64.3
	No	82	35.7	100.0
	Total	230	100.0	



■ Yes
■ No

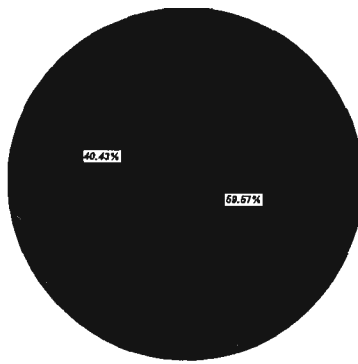
Product Availability

		Frequency	Percent	Cumulative Percent
Valid	Yes	131	57.0	57.0
	No	99	43.0	100.0
Total		230	100.0	



Responsiveness

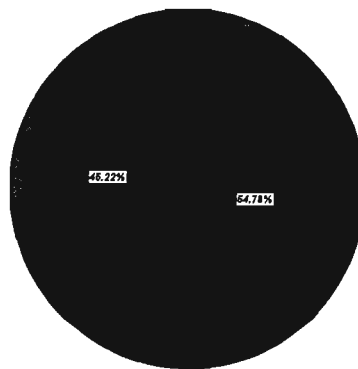
		Frequency	Percent	Cumulative Percent
Valid	Yes	137	59.6	59.6
	No	93	40.4	100.0
Total		230	100.0	



■ Yes
 ■ No

Credibility

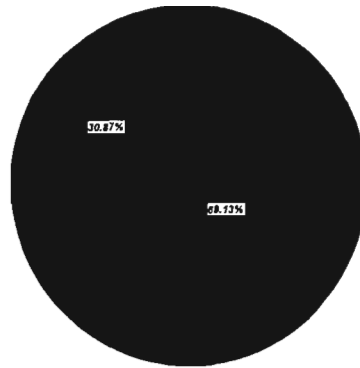
		Frequency	Percent	Cumulative Percent
Valid	Yes	126	54.8	54.8
	No	104	45.2	100.0
Total		230	100.0	



■ Yes
 ■ No

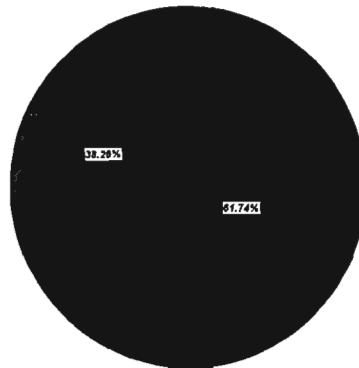
Reliability

		Frequency	Percent	Cumulative Percent
Valid	Yes	159	69.1	69.1
	No	71	30.9	100.0
Total		230	100.0	



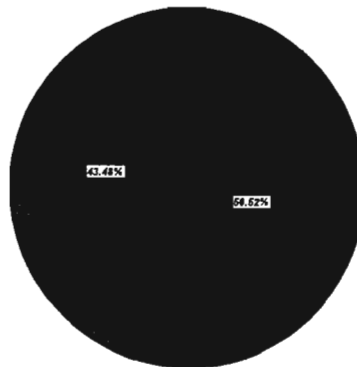
Courtesy, Care and Friendliness

		Frequency	Percent	Cumulative Percent
Valid	Yes	142	61.7	61.7
	No	88	38.3	100.0
	Total	230	100.0	



Physical Facilities/Tangibles

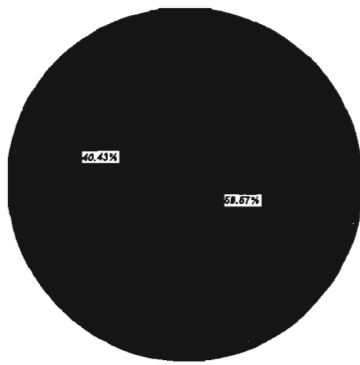
		Frequency	Percent	Cumulative Percent
Valid	Yes	130	56.5	56.5
	No	100	43.5	100.0
	Total	230	100.0	



■ Yes
■ No

Knowledgeable/ Understanding of staff

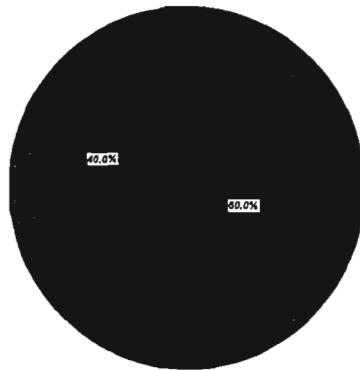
		Frequency	Percent	Cumulative Percent
Valid	Yes	137	59.6	59.6
	No	93	40.4	100.0
	Total	230	100.0	



■ Yes
 ■ No

Consistency

		Frequency	Percent	Cumulative Percent
Valid	Yes	138	60.0	60.0
	No	92	40.0	100.0
Total		230	100.0	



■ Yes
 ■ No