CUSTOMER EXPERIENCE, SATISFACTION AND BRAND RELEVANCE: A SOUTH AFRICAN GROCERY RETAIL CONTEXT PERSPECTIVE

By

Ms M P Sedibe
Email: provia@live.co.za

Ms G S Matthysen
Email: gmstephy@gmail.com

Students:
Mr P M Biko
Email: proudbiko@gmail.com

Mr G A Gomez
Email: archi.gomez.ag@gmail.com

Dr B E Stiehler-Mulder
University of Johannesburg
P.O. Box 524
Auckland Park
2006
Tel: 011 559 4054 / 082 414 2579
Email: bstiehler@uj.ac.za

Ms M Frazer
University of Johannesburg
P.O. Box 524
Auckland Park
2006
Tel: 011 559 1423
Email: mfrazer@uj.ac.za

ABSTRACT

Retailers often compete in the market by focusing on achieving customer satisfaction by providing good in-store shopping experiences. South African shoppers are however argued to be very brand conscious, and therefore, the relevance of a retail brand may in addition influence this experience and satisfaction relationship. This study seeks to uncover the relationship between customer experience and customer satisfaction and explores the moderating role of brand relevance on the relationship between customer experience and satisfaction. Using a quantitative approach, a total of 395 responses were collected from South African grocery retail shoppers. An SEM analysis is conducted with the variables "Sense", "Think" and "Feel" as the predictors of customer experience, and their resulting influence on customer satisfaction tested. The variable "Think" was the only experience variable that had a significant influence on customers' satisfaction levels, whilst "Brand relevance" demonstrated potential as a predictor of customer satisfaction, rather than a moderator between experience and satisfaction.

Keywords: Customer experience, Customer satisfaction, Brand relevance, In-store shopping experience

INTRODUCTION

Customer experience is now a key element of the buying process and it manifests customer's perceived cognitive, emotional, sensorial and behavioural value derived during the entire shopping procedure (Bagdare, 2016:55). According to Joshi, Waghela and Patel (2015) and Venter, Chinomona and Chuchu (2016), customers are looking for unique and new experiences, and this impacts how retailers formulate their marketing strategies. Therefore, customer experience can be used by a retailer to differentiate itself from the competitors and increase profitability (Iyer and Kuksov, 2012:18). In line with this notion, South African grocery retailers are increasingly acknowledging and investing in customer shopping experience (Masojada, 2018 & Prinsloo, 2016).

Trends such as omni-shopping channels (Beck and Rygl, 2015; Rosenmayer, McQuilken, Robertson and Ogden, 2018; Grecu, 2016), Self Service Technologies (Qukula, 2016) and Price Warfare (Masojada, 2018) emerged in recent years in the South African grocery retail market. Although online shopping has achieved acceptance from customers, Chin and Goh, (2017), Huré, Picot-Coupey and Ackermann (2017) argue that the physical store remains the predominant retail channel and that consumers still prefer a physical shopping experience (Maxwell, 2017).

Previous studies have investigated customer experience as a competitive advantage (Stein & Ramaseshan, 2016; Bustamante & Rubi, 2017) and an influencer of customer satisfaction (Andreu, Bigné, Chumpitaz, & Swaen, 2006; Paul, Sankaranarayanan & Mekoth, 2016). There is however limited literature on customer experience in the South African grocery retail industry. This necessitates a broader investigation on the topic beyond customer experience and satisfaction but also an extensive probe into brand relevance.

Brands play an important role during purchase (Tshabalala, 2016) and consumption (Fischer, Volcker and Sattler, 2010). South African customers are very brand conscious (Stander Trade, 2018), and are willing to pay for premium products (Nielson, 2017). A customer's willingness to pay more for a particular brand than competing brands in the same category signals the preferred brand's strength (Tshabalala, 2016). This study further explores the role of brand relevance in the grocery retail sector, and more specifically its potential impact on the in-store experience and satisfaction levels of a customer.

The findings of this study will help retailers to map and better understand customers' in-store experience, as well as the moderating role of brand relevance on customers' satisfaction.
The rest of the article is outlined as follows. Literature on the South African retail industry and significant trends are outlined in the "Literature Review" section. An overview of the grocery retail industry and key role players is presented and then customer experience, customer satisfaction and brand relevance are reviewed in the sections that follow. The results of the enquiry are then discussed in the "Results" section, followed by the managerial implications, limitations, and directions for future research.

LITERATURE REVIEW

The literature review provides an overview of the general retail market. This is followed by a specific review of the grocery retail sector in South Africa and the impact of customer experience on customer satisfaction. It concludes with a discussion regarding brand relevance in the grocery retail sector and its potential moderating impact on customer experience and satisfaction.

The South African Retail Market

Deloitte (2015) describes retailers as "establishments that are engaged in the sale of merchandise, generally in small quantities to the public, and the rendering of services incidental to the sale of merchandise". Merchandise is classified as either durable, semi-durable or non-durable (Kemp & Ellis, 2016). The retail industry is recognised as one of the key revenue generating industries in South Africa (Begg, 2018). The industry contributed positively to the country's gross domestic product (GDP) in the fourth quarter of 2017, with a 5.3% total year-on-year sales increase. Food retailers enjoyed a 5,0% overall increase in sales in 2017 in comparison to 2016 (Stats SA, 2018). South Africa's overall 2017 retail sales are reported to be R1 trillion, with a combined average of R31 900 spent per second across all retail mediums (Stats SA, 2018). An increase in the economic activities of retail, wholesale and motor trade positioned the trade sector as the second most positive contributor to the country's GDP (Smith, 2018).

Overview of the South African Grocery Retail Sector and Key Players

South Africa is highly represented in the top 250 companies listed in Africa. The 4 big players in the South African retailing sector form part of this list. The first retailer on the list is Shoprite Holdings in the 110th position. Spar Group Limited is ranked second in the 155th position. Pick and Pay Stores Limited is in third position and ranked 171st, while Woolworths Holdings Limited is ranked fourth at 197th on the list (Deloitte, 2017). Unfortunately, Steinhoff International, which was considered the first South African retailer on the list had to be removed due to financial troubles (BusinessLive, 2018).

The retailing South African report states that grocery retailers continue to perform strongly, enticing new players and experiencing further investment from the leading players to increase their margins (Euromonitor, 2018). In store sales grew from R351.7 billion in 2012 to R538.3 billion in 2017 (Euromonitor, 2018). Small to medium grocery retail stores are growing and becoming more popular in the grocery industry, while larger grocery retail stores are declining because of challenges faced within the industry (Cardinali & Bellini, 2014). Grocery retailers have realised that they cannot only exist in geographical areas that draw the middle and upper-class segments and have therefore expanded to include the lower-class areas (Adamkiewicz, Caspi, Kawachi, Sorensen, & Subramanian, 2012).

Trends in the Retail Sector

Service quality in the retail sector is recognised as a key differentiator, thus retailers must continuously evolve and multiply efforts to match customers' expectations (Kallweit, Spreer & Toporowski, 2014). Customers' needs are continuously evolving in South Africa; thus, retailers are responding to these changes by using modern tools such as self-service technologies, which was first piloted in the country by Pick n Pay in 2016 (Qukula, 2016). Another strategy called omni-shopping channels is gaining more and more attention. It is reported to be a service provided by major retailers such as Pick n Pay and Woolworths (BusinessTech, 2015). However, a factor like price warfare is forcing retailers to consider lowering their prices, due to the weak spending capacity or low purchasing power of customers (Masojada, 2018).

Furthermore, South African retailers have now realised the value of investing in in-store shopping experience (Masojada, 2018; Prinsloo, 2016).

Customer Experience in Retail

McColl-Kennedy, Gustafsson, Jaakkola, Klaus, Radnor, Perks, and Friman (2015:431) describe customer experience as holistic in nature and involving the customer's emotional, cognitive and physical responses to the retailer's touch points during the customer journey. Lemke, Clark and Wilson (2011) define customer experience as the overall shopping experience the customer goes through, namely searching, purchase and after-sales experience. Drotskie and Herbst (2010) support this notion by defining customer experience as a consistent and coherent representation across all customer touch points.

Joshi, *et al*., (2015) argue that a customers' shopping experience is not only influenced by those store attributes that retailers can influence, such as retail atmosphere, assortment and price. It is also influenced by elements that are outside the retailer's control, such as the purpose of shopping and the influence of other customers in the vicinity. The authors support the contention that physical aspects of a store, such as layout and product assortment, contribute to customer experience, which in turn leads to a satisfactory shopping experience. According to Joshi, *et al*. (2015) the retail environment impacts on customer's behaviour and perceptions. They further identify and classify factors that are present in the retail environment. These factors are classified into three categories namely; ambient factors (such as the smell, music, atmosphere, air quality etc.), design factors (such as colour, layout, comfort etc.), and social factors (such as other customers in the store and retail staff).

Yoon (2013) and Srivastava and Kaul (2016) support the notion proposed by Schmitt (1999) of five strategic experiential modules to measure customer experience that include "Sense", "Feel", "Think", "Act" and "Relate". The authors further state that these dimensions can be divided into two categories namely; individual-level experiences ("Sense", "Feel" and "Think") and sociocultural shared experiences ("Act" and "Relate"). This study only focuses on the individual-level experiences to measure the construct customer experience and its impact on customer satisfaction. According to Yoon (2013), "Sense" refers to the five senses that are used to draw customers' attention and describes "Feel" as the feelings and emotions that persuade customers to accept and share the emotional stimuli. The author also states that "Think" allows customers to rationalise their buying process. Schmitt (1999), Rajic and Dado (2013), Yoon (2013) and Joshi, *et al*. (2015) found that customer experience positively influences customer satisfaction.

Many researchers have investigated customer experience through sensory interaction with the purchase environment and people (Gentile, Spiller & Noci, 2007; Meyer & Schwager, 2007; Rose *et al*., 2010, 2012). In the retail environment shopping experience is considered as market experiences that occur in a context controlled by the company (Rose *et al.,* 2012). Grewal, Levy and Kumar (2009) further define shopping experience from the standpoint of the retailer as all points of contact that give rise to a customer's retailer interactions. This is an indication that the experience created by the company for the customer is what the company wants the customer to experience.

Customer Satisfaction

A study by Terblanche and Boshoff (2006) states that in-store shopping experience determines customers' satisfaction and their attitude towards a retail brand. Mathaba, *et al*., 2017) argue that the level of customer satisfaction in a retail store is influenced by store attributes such as affordable prices and good quality products. Kuhn and Mostert (2015) state that there are two ways to determine retail customer satisfaction, namely the use of store attributes to measure satisfaction and the use of cumulative satisfaction. In line with (Mathaba, *et al*., 2017), Kuhn and Mostert (2015) state that attributes such as price, product assortment, quality and staff services are paramount in determining customer satisfaction.

Beneke, *et al*., (2012) state that the physical environment of a grocery store or supermarket such as the store appearance and store layout, plays an important role in the grocery retail sector. This looks at the ease of finding products, cleanliness of the store and employees' behaviour in helping customers. The authors further state that an increase in merchandise similarity offered by supermarkets, has forced grocery retailers to turn to customer experience to differentiate themselves from competitors. Iyer and Kuksov (2012) state that by investing in in-store shopping experience, retailers can attract customers into the store and induce them to purchase products.

As far as the researchers could determine, a majority of the studies done on customer experience in South Africa and its influence on customer satisfaction has mainly been focused on the clothing industry and other related industries and not on the grocery retail industry. The South African market consists of heterogeneous groups of customers that use different brands to fit in with groups they belong to (Dhurup & Oosthuyzen, 2010) and love brands that resonate with their beliefs (Mackay, 2014). Previous research suggests that customer satisfaction in the context of in-store experience can be attributed to service and merchandise quality (Paul *et al.,* 2016), in-store design (Iyer & Kuksov, 2012), price (Sumathi, Vidya & Akash, 2014) and shopping convenience (Siebersa, Zhangb & Li, 2013). However, Dalla Pazzo (2014) and Choi, Wilson and Fowler (2013) argue that customer satisfaction cannot be driven by a single item, but by a collection of items, which together constitute the overall customer experience. Customer satisfaction is regarded as the primary determining factor of repeat shopping and purchasing behaviour (Burns & Neisner, 2006). From the views of the above researchers it is suggested that positive customer experience may influence customer satisfaction.

Brand Relevance

A deep understanding of the difference between brand preference and brand relevance is called for by Aaker (2012). These two concepts are considered as the basis of competition war. Brand relevance in particular represents a competition approach in which the emphasis is put on developing new offerings with such innovation that it sets the standard in order to make the competitors irrelevant in the market (Aaker, 2012). From the above arguments, the authors identified a need for a more specific comprehension of a retailers' brand relevance as a factor to win over the competition and achieve a better positioning in the industry.

Leischnig, Shcertfeger and Geigenmueller (2011) state that retail branding is a comprehensive and integrated marketing management concept that may be used to build customer loyalty and preference. Customer trust and loyalty emerges from customer's interactions with the store. Retailers can develop an image that resonates with how they want customers to perceive their retail store brand (Burt & Davies, 2010). It is further argued that in-store physical environment, product assortment, retail staff as well as the ambience of the store influence the store brand quality perception. Ailawadi and Keller (2004) describe retail brands as more multi-sensory in nature, and these brands rely more on customer experiences to influence their equity. Retail store brands also rely on the manufacturer's branded products they carry to present the values of the retailer.

Fischer, Volckner and Sattler (2010) state that brands differ in importance based on the category of product belonged to and developed a construct to measure brand relevance in category. This construct is customer centric and measures the role of brand relevance in customer decision-making. South African customers use brands as a status symbol and therefore the need to explore how relevant retail brands are to South African customers and its relationship between customer experience and satisfaction was identified as a relevant area of further research.

PROBLEM STATEMENT, OBJECTIVES AND RESEARCH HYPOTHESES

The South African grocery retail sector has grown significantly with an average of 3% a year in the past decade and has attracted strong competition amongst grocery retailers (Gauteng, 2012). This sector is one of the largest contributors to the gross domestic product under the South African Trade Industry and it employs over 600 000 people, making it an important contributor to the South African economy (Stats SA, 2018). The increase in competition and lower customer switching cost has led to an increase in the use of low-cost strategies by grocery retailers (Joseph, 2015), thereby, blurring the lines between competitors. According to Ismana-Ilisan (2017) competition in the grocery retail sector has increased in the recent years. This competition does not only come from new malls or growth in traditional retailers, but also comes from convenience stores, mass discounters (such as Game) and online retail stores. According to Ismana-Ilisan (2017) traditional grocery retailers can keep abreast of industry changes by creating more intimate and innovative shopping experiences.

In-store customer experience plays an important role in customer satisfaction (Terblanche & Boshoff, 2006). Despite this, little research has been done on the relationship between in-store customer experience and customer satisfaction in the South African grocery retail sector. Available research addresses this topic from the clothing retail perspective and the research is mostly conducted in developed countries (Drotskie & Herbst, 2010, Joshi, Waghela & Patel, 2015, Mathaba, Dhurup and Mpinganjira, 2017).

In addition, Fischer, Volcker and Sattler (2010) argue that brands differ in relevance based on the category they fall within, for example, when buying washing powder, the brand might not be as important as when considering buying a laptop. Van Wamelen, Chase and Legoete (2010) state that South African consumers tend to be brand conscious. There is evidence to the notion that the retail brand (where you do your shopping) might therefore, be important to South Africans, and it is therefore argued that brand relevance in retailing moderates the relationship between experience and satisfaction.

Based on the literature review, the following objectives were formulated for this study:

- To examine the relationship between customer experience and customer satisfaction
- To determine the level of brand relevance South African consumers assign to grocery retail brands
- To examine the effect of brand relevance on the relationship between satisfaction and experience

From the above objectives, the following hypotheses were formulated:

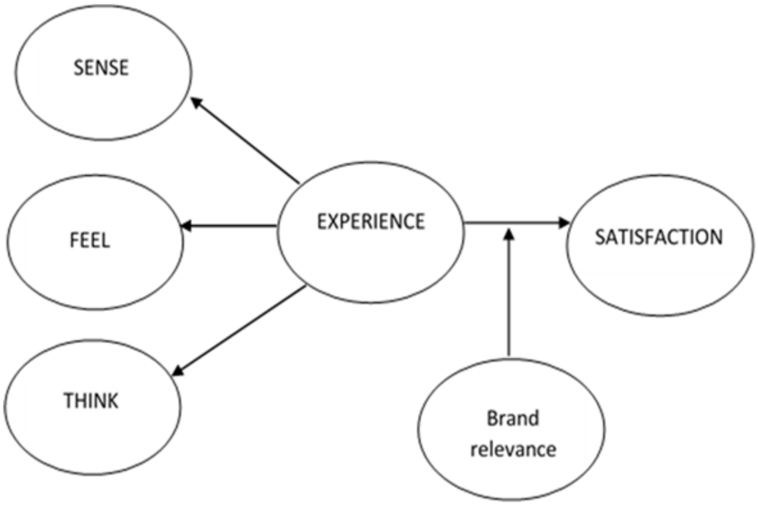
H1: Customer experience significantly and positively influences customer satisfaction

Srivastava and Kaul (2016) refer to customer experience as an individual occurrence, which is formed at touch or contact points during various stages of the buying process (Stein & Ramaseshan, 2015). These occurrences exist because of an interaction between the customer and the retailer (Gentile *et al*. 2007). According to an empirical study by Brakus *et al*. (2009) these interactions involve multiple dimensions in which we count “Think”, “Feel” and “Sense”, which represent the individual component of the experience (Yoon, 2013). The customers' senses can be affected through various aspects, which may include lighting, music, smell, and employee service. Mohd-Ramly, and Omar, (2017) state that creating a distinctive customer experience is critical in today's retailing.

H2: Brand relevance moderates the relationship between customer experience and customer satisfaction

Fischer, Volcker and Sattler (2010) state that the name of a brand offers a further benefit to the customer. This means that customers are more inclined to be satisfied if their preferred brand is featured in their experience. Musa, Mohamad, Khalid, Rahim, and Zamri (2015) compare a brand to a living being, and explain that elements such as the personality, the identity, the vision, the culture, the can-do and the emotion are important to a brand to perpetually remain relevant to the people it is targeting. In the context of retail shopping the satisfaction occurs when a brand is continually meeting the consumers' expectations, which means the more a brand is relevant to its target, the more it increases the repurchase behaviour based on customer satisfaction of previous experience (Musa *et al.*, 2015). Figure 1 represents a graphical representation of the proposed model to be investigated in this study.

FIGURE 1: CONCEPTUAL FRAMEWORK



METHODOLOGY

A quantitative research design was used for this study. According to Eriksson and Kovalainen (2016), a quantitative research method is a useful tool to quantify behaviours, opinions and attitudes. It is suitable for testing hypotheses and the results obtained from this method can be condensed into statistics, allowing precision and standardisation (Eriksson & Kovalainen, 2016).

Sampling and Population

The researchers utilised a quantitative research method and applied a descriptive research design, with convenience sampling as the non-probability sampling technique to select the respondents for this study. Bradley (2013) supports the use of convenience sampling because it allows for reaching a large sample of respondents who are readily or conveniently available and willing to partake in a study. It is also economically efficient and less time consuming compared to other sampling methods.

A cross-sectional research design was used and the data was collected through a survey, which is one of the most used strategies when it comes to cross-sectional studies (Saunders *et al*., 2016). The target population for the study included both male and female adults of the South African population who engaged in grocery shopping in South African retail stores. A survey was conducted with self-administered questionnaires recording a total of 397 respondents, which is a comparable sample size used in consumer store choice studies and for academic purposes (Mathaba *et al.,* 2017). Of the 397 responses a total of 395 were included for the final analysis, representing a 99.5% response rate.

Data Collection

Saunders *et al*. (2016) state that it is imperative for researchers to consider ethical implications of a proposed study, and therefore, approval from the University of Johannesburg was obtained before the fieldwork commenced. This was to ensure that the questionnaire for this study was morally accepted by the respondents and assuring anonymity, confidentiality, and clarity. A draft questionnaire was initially pre-tested on a sample of 20 respondents, to verify if questions and instructions were clear before handing them out to a larger audience.

Questionnaires were distributed to respondents by BCom Honours Marketing Management students of the University of Johannesburg between April and May 2018. Mathaba *et al*. (2017) explain that questionnaires are easy to administer and are known to yield reliable results. Students were required to approach customers from South African retail stores with ethical consideration and to obtain completed questionnaires.

Measurement Instrument

The first section of the questionnaire contained an introduction, followed by four other sections touching on topics of the research study. The introductory section explained the purpose of the research and entailed the different instructions needed to be followed by the respondents to complete the questionnaire. Section A displayed two tables, where the first one gave the respondent the opportunity to choose the destination of his or her most recent shopping trip from several South African grocery retailers, while the second table proposed a list of answers relating to the reason or purpose of this shopping trip.

With a total of 35 items, sections B and C are the core of the questionnaire, where several variables were tested through multiple descriptive statements with the aim at understanding and extracting the customers' behaviours when shopping in the retail environment. The variables “Sense”, “Feel“, “Think” and “Brand relevance“ in category were each measured by using 4 items. In addition the variable “Customer satisfaction” was measured through 3 items, making a total of 19 items over 35. The respondents were required to provide an answer at each statement, based on the seven-point Likert type scale rating system by indicating their level of agreement from 1=strongly disagree to 7=strongly agree. The 19 items measuring the mentioned variables were adapted from prior studies conducted by Yoon (2013), Srivastava and Kaul (2016), and Fischer, Volkner, and Sattler (2010). Section D is the final stage of the questionnaire with a demographic nature. This section gathered personal information on a respondent’s profile such as gender and age, but also a specific question on the amount spent per month on groceries by the respondent.

RESULTS

This section provides the results which allow for demographic profiling of the respondents and assessment of the impact of customer experience on customer satisfaction.

Demographic Profile

TABLE 1: DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Demographics		Percentage
Gender	Male	36.2
	Female	63.8
Age	18-22	16.5
	23-30	34.4
	31-35	23.0
	36-40	10.1
	41-45	9.2
	46 or more	6.8

Table 1 indicates that out of the 395 respondents who participated in the study, 143 (36.2%) were male and 252 (63.8%) were female respondents. The age group 23 – 30 had the highest number of respondents 136 (34.4%), followed by age group 31 – 35 with 91 (23%) respondents and age group 18 – 22 with 65 (16.5%) respondents.

TABLE 2: MOST RECENT GROCERY SHOPPING TRIP IN THE PAST THREE MONTHS

Retailer	Frequency	Percent
Checkers	73	18.5
Woolworths	68	17.2
Shoprite	60	15.2
Pick n Pay	128	32.4
Cambridge	10	2.5
Spar	35	8.9
Other	21	5.3
Total	395	100.0

Table 2 identifies the grocery retailers most recently visited within one month of the survey being conducted. The table identifies Pick 'n Pay as the most frequently visited retailer visited by 128 (32.4%) respondents followed by Checkers visited by 73 (18.5%) respondents and Woolworths with 68 (17.2%) visited.

TABLE 3: PURPOSE OF SHOPPING TRIP

Purpose of shopping trip	Frequency	Percent
Monthly grocery shopping	183	46.3
Weekly grocery shopping	69	17.5
Just popped in to quickly get a few things	122	30.9
I bought groceries for a specific occasion	19	4.8
Other reason	1	0.3
Total	394	99.7

Table 3 identifies the reasons for engaging in grocery shopping, with 46.4% of the respondents stating that their reason for patronage to a grocery retailer was to purchase monthly groceries. Of all the respondents, 30.9% were just popping in for a few things, 17.5% of the respondents stated that they were buying weekly groceries and a further 4.8% were buying groceries for a special occasion.

TABLE 4: AVERAGE MONTHLY SPEND ON GROCERIES

Mean	R2 591.24
Std. Deviation	5215.868

Table 4 shows the average amount customers spent during their last visit to a grocery retailer. The respondents spent R2 591.24 on average on their last visit to a grocery retailer.

Customer Experience Results

TABLE 5: RELIABILITY ANALYSIS OF SENSE, FEEL AND THINK

Construct	Items	Coefficient Alpha	Mean	Standard deviation
Sense	The smell of the store was very good	0.822	4.93	1.456
	The shopping experience made me relaxed and comfortable		4.62	1.587
	The ambience of the store was very pleasant		4.80	1.495
Feel	The shopping experience was uplifting	0.774	4.48	1.555
	The temperature inside the store was comfortable		5.10	1.498
	The store was well lit to help me select my groceries		5.57	1.457
	The atmosphere in the store was welcoming		5.13	1.490
Think	I felt secure in dealing with the service staff in the store	0.866	5.13	1.535
	I felt satisfied with the treatment I received from the service staff of the store		5.17	1.552
	The service staff showed commitment to satisfy my shopping needs		4.82	1.521
Brand relevance	When I purchase groceries, the brand name of the retailer plays an important role	0.859	4.46	1.966
	When purchasing groceries, I focus mainly on the brand name of the retailer.		3.90	1.952
	To me, it is important to purchase groceries from a retailer with a good brand name		4.93	1.811

	The brand name of a grocery retailer plays an important role in how satisfied I am with my grocery purchase		4.57	1.858
Customer satisfaction	My choice to purchase from this grocery retailer was a wise one	0.854	5.00	1.485
	I am satisfied with the service I received from this grocery retailer		5.13	1.434
	I am happy with the service I received from this grocery retailer		5.18	1.423

Table 5 above depicts the Cronbach Alpha for the variables "Sense", "Feel", "Think", "Brand relevance" and "Customer satisfaction". The Cronbach's alpha of "Sense" was 0.704 before the item "I paid attention to the music played at the retail store" was deleted. This improved the score to 0.822. "Feel" has a Cronbach alpha of 0.774. The Cronbach's alpha of "Think" was 0.809 before the item "I paid attention to the music played at the retail store" was deleted. This improved the score for "Think" to 0.866. All three constructs have a Cronbach's alpha above 0.7 which is the recommended minimum threshold (Saunders *et al.*, 2016:223). Table 5 further depicts the Cronbach's Alpha of "Brand relevance" and "Customer satisfaction"; the two constructs had a Cronbach's alpha of 0.859 and 0.854 respectively. The Cronbach's Alpha of these two constructs is well above the recommend minimum threshold.

5.3. Model fit and results of hypotheses formulated for the study

Convergent validity was assessed by evaluating the AVE scores. All AVE score were above 0.5 which suggests convergent validity was achieved. In addition the composite reliability scores were also reviewed, and all values were above 0.700. The correlation between "Sense", "Feel" and "Think" was 0.758 which is lower than the lowest square of AVE's for all the constructs. The lowest value being 0.775, indicating that discriminant validity was achieved. (Fornell & Larcker, 1981)

This study originally set out to measure in-store experience through the three variables "Sense", "Feel" and "Think". A CFA analysis was firstly conducted to assess the measurement model and reliability of the constructs. An analysis of correlation between the factors for the CFA showed a correlation of 0.987 between the variables "Sense" and "Feel". This suggested issues with multicollinearity. These two experience variables were then combined to form a new variable the researchers termed "Environment". The researchers proceeded with the analysis using the variables "Environment" and "Think" as being representative of the overall variable "Experience". The items with low R^2 values were removed (one item from each of the original constructs) to improve the model fit.

The multivariate normality was assessed using Mardia's coefficient. The data was not multivariate normal, and as a result, robust fit statistics were used for the analysis using EQS. The model fit for the measurement model was assessed using chi square (χ^2), Normed Fit Index (NFI), Comparative Fit Index (CFI) and Root Mean Square (RMSEA). The measurement model proceeding with the two factors ("Environment" and "Think") demonstrated a fair fit (χ^2 = significant but accepted due to χ^2 sensitivity to large samples; NFI = 0.947 CFI = 0.961; RMSEA = 0.079). The low number of items for the variable "Satisfaction" (3 items) meant that fit statistics could not be calculated for this variable. Similarly, to the measurement model, the structural model also demonstrated a fair fit (χ^2 = significant but accepted due to χ^2 sensitivity to large samples; NFI = 0.950; CFI = 0.969; RMSEA = 0.061). The experience variable "Think" showed a significant positive relationship with "Satisfaction" ($t = 7.048$, $p < 0.05$) whilst the variable "Environment" was non-significant ($t = 1.603$, $p > 0.05$). Hypotheses 1 can therefore be accepted as only "Think" having a significant effect on customer satisfaction, and not both "Think" and "Environment" as one construct representing customer experience.

Multiple regression analysis was conducted to determine the moderating effect of brand relevance on the relationship between customer satisfaction and customer experience. The results suggest that there is no evidence of moderation between "Experience" ("Environment") and "Brand relevance" ($t=1.158$, $p = 0.247$) and "Experience" ("Think") and "Brand relevance" ($t=1.318$, $p = 0.188$) interacting together to influence customer satisfaction. As a main effect, "Brand relevance" was on the cut-off value for significance, suggesting that it might have an influence on customer satisfaction ($t = 1.953$; $p = 0.052$).

DISCUSSION

The results of the study indicate that most respondents are between the ages 23-30 and 31-35, both representing 57.4% of the sample size with 63.8% being females compared to 36.2% males from a sample size of 395 participants. The "Most recent shopping trip within the past one month where you purchased groceries" is the question that helped to identify which one of the retailers on the list was the most visited by the sample population. The results highlighted "Pick 'n Pay" as the recent retail destination for 32.4% of the sample, representing 128 respondents in this research study. A specific question was asked to find out how much the individuals in the sample spent on groceries per month. They spent an average of R2591.24.

The core of the research study was based on the understanding of the relationship between customer experience and customer satisfaction at a grocery retail store, but also if the variable "Brand relevance" plays a moderating role into this relationship. To establish any link between experience and satisfaction, the study made use of independent variables which are "Sense", "Feel", "Think", "Brand relevance" in category and "Customer satisfaction" based on the studies conducted by Yoon (2013), Srivastava and Kaul (2016), and Fischer, Volcker and Sattler (2010).

It was discovered that "Sense" and "Feel" were highly correlated and were combined into one new dependent variable called "Environment". The new variables measuring the overall experience were "Environment" and "Think". Of the experience variables, "Think" was the only one to positively influence customer satisfaction, whereas "Environment" failed to significantly influence customer satisfaction. "Brand relevance" did not prove to play a moderator role in the relation between experience and satisfaction, nonetheless, it was shown that "Brand relevance" has potential as a predictor of customer satisfaction when shopping in a retail outlet.

MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

The results indicate that "Think" has a significant impact on customer satisfaction, "Think" focused on the retail staff as part of customer experience. The results indicate that although the "Environment" is important, it does not contribute significantly to customer satisfaction. The variable "Think" is predominantly focused on reviewing aspects that relate to customer's engagement with retail staff members. As the only significant contributor to satisfaction it suggests that retail managers should focus on training front line employees on how to interact with customers with focus on the behaviour and attitude of the front line or customer facing employees. The service staff at the store must be approachable and always be willing to assist customers with their queries if a retailer hopes to achieve customer satisfaction.

The results suggest that "Brand relevance" is a potential predictor of customer satisfaction and it concluded that brand relevance does not moderate the relationship between customer experience and satisfaction. Retail marketers should continue to invest in developing and distinguishing their retail brands, as brand however seems to be a potential predictor of customer satisfaction.

LIMITATIONS AND FUTURE RESEARCH

Although findings in the study have significant implications for practice, they are not without limitations. These limitations offer opportunities for further studies. The main limitations of the study include the fact that the sample was drawn from a limited geographical area, namely Johannesburg. Further studies should focus on a broader area such as the whole of Gauteng and a larger sample size. Non-probability sampling techniques in the form of convenience and quota sampling were used for selecting respondents. Thus, the obtained results only represent those respondents who participated in the study (Saunders *et al*., 2016). It is therefore recommended that further studies on the topic consider using probability sampling techniques to be able to draw conclusive causal relationships and enhance the generalisability of the study (Mathaba *et al.,* 2017). The study focused only on the grocery retail sector and not the entire retail and trade industry.

Future research can reproduce this study and holistically investigate the impact of in-store customer experience on customer satisfaction in the entire industry. This is necessary as many South Africans still patronise malls and retail stores. Understanding the underlying reasons for customer satisfaction goes beyond in-store experience and brand relevance. Some customers may be satisfied due to incentives they received while in the store and prices they paid. Therefore, it will be favourable if future studies investigate the effect of in-store customer experience, brand relevance, in-store incentives and prices on customer satisfaction in the grocery retail sector. Future studies should also explore what constitutes experiences and especially the variables "Sense" and "Feel", as these proved to group together with the CFA into a new variable that was formed in this study. It should be investigated whether a case can be made to measure the individual aspect of experience with two as opposed to three variables.

From an academic point of view the work undertaken by the researchers in this study is likely to be useful for successors who would like to obtain a deep comprehension of the impact that customer experience has on customer satisfaction and the predictor role played by brand relevance between the two constructs. This study acts as a guide for decision makers of companies in the retail environment. It aids in implementing strategies to transform the retail environment through positively influencing the consumer's senses and using experiential marketing as a competitive advantage.

CONCLUSION

Sachdeva and Goel (2015) state that the high competition in the industry is leading the traditional retailer brands to opt for an elevation of customer experience in store or in the retail environment into a more experiential journey to attract and maintain customers. Creating a unique experience means to choose experiential marketing as main strategy in order to be customer oriented (Sachdeva & Goel, 2015). Furthermore, Yoon (2013) explains that in order to succeed in implementing a strategy in experiential marketing, it is important to consider the five experiential modules which are "Sense", "Feel", "Think", "Act", and "Relate". The current research study has shown some limits in terms of finding relevant documents, meaning that there was a lack of valid knowledge or theories and studies to help understand customer experience in the South African retail shopping context.

REFERENCE LIST

Aaker, A. D. (2012). Win the brand relevance battle and then build competitor barriers. *California Management Review*, 54(2):43-57.

Adamkiewicz, G., Caspi, C. E., Kawachi, I., Sorensen, G. & Subramanian, S.V. (2012). The relationship between diet and perceived and objective access to supermarkets among low-income housing residents. *Social Science and Medicine*, 75(7):1254-1262.

Ailawadi, K.L. & Keller, K.L. (2004). Understanding retail branding: conceptual insights and research priorities. *Journal of Retailing,* 80:331-342.

Andreu, L., Bigné, E., Chumpitaz, R. & Swaen, V. (2006). How does the perceived retail environment influence consumers' emotional experience? Evidence from two retail settings, *International Review of Retail, Distribution and Consumer Research*, 16(5):559-578.

Bagdare, S. (2016). Retail customer experience: A retail agenda. *International Journal of Research in Commerce & Management,* 7(4):55-57.

Beck, N. & Rygl, D. (2015). Categorization of multiple channel retailing in Multi-, Cros- , and Omni-Chanel retailing for retailers in retailing. *Journal of Retailing and Consumers Services,* 27*:* 170-178.

Begg, M. (2018). *KPMG's global Retail practice is a network of experienced professionals based in member firms around the world. KPMG*. (Online) Available: https://home.kpmg.com/za/en/home/industries/retail.html [Accessed on 10 September 2018].

Beneke, J. Hayworth, C. Hobson, R. & Mia, Z. (2012). *Examining the effect of retail service quality dimensions on customer satisfaction and loyalty: The case of the supermarket shopper*. (Online) Available: http://0journals.co.za.ujlink.uj.ac.za/docserver/fulltext/acom/12/1/acom_v12_a3.pdf?expires=1520624078&id=id&accname=57713&checksum=5614B0E9A613BEA7F7D4724CE4DB1D9F. [Accessed on 17 August 2018].

Bradley, N. (2013). *Marketing Research*. 3rd Edition. Oxford. United Kingdom. Oxford University Pres.

Brakus, J.J., Schmitt, B.H. and Zarantonello, L. (2009). Brand experience: what is it? How is it measured? Does it affect loyalty?, *Journal of Marketing,* 73(3):52–68,

Business Live. (2018). *Steinhoff's Mattress Firm files for bankruptcy and shuts stores*. (Online) Available: https://www.businesslive.co.za/bd/companies/2018-10-05-steinhoffs-mattress-firm-goes-bankrupt-shutting-some-stores/ [Accessed on 10 August 2018].

Businesstech. (2015). *Online vs in-store grocery shopping prices in SA*. (Online) Available: https://businesstech.co.za/news/lifestyle/97911/online-vs-in-store-grocery-shopping-prices-in-sa. [Accessed on 13 August 2018].

Bustamante,J, C. & Rubio,N. (2017). Measuring customer experience in physical retail environments, *Journal of Service Management*, 28: 5, 884-913.

Burns, D.J. and Neisner, L. (2006). Customer satisfaction in a retail setting: The contribution of Emotion. *International Journal of Retail & Distribution Management*, 34(1):49-66.

Burt, S. Davies, K. (2010). From the retail brand to the retail-er as a brand: themes and issues in retail branding research. *International Journal of Retail & Distribution Management*, 38(11/12):865-878.

Cardinali, M. G., & Bellini, S., (2014). Interformat competition in the grocery retailing. *Journal of Retailing and Consumer Services*, 21(4):438-448.

Chin, S. & Goh, Y. (2017). Consumer Purchase Intention toward Online Grocery Shopping: View from Malaysia. *Global Business and Management Research: An International Journal*, 9(4): 221-234.

Choi, E. K., Wilson, A., & Fowler, D., (2013). Exploring Customer Experiential Components and the Conceptual Framework of Customer Experience, Customer Satisfaction, and Actual Behavior. *Journal of Foodservice Business Research* 16:347–358.

Dalla Pazzo, I., (2014). Customer experiences as drivers of customer satisfaction. *Gestion 2000*, 115:138.

Deloitte. (2017). *Global Powers of Retailing.* (Online) Available: https://www2.deloitte.com/content/dam/Deloitte/za/Documents/za_Deloitte-Global-powers-retailing-Jan17.pdf. [Accessed on 17 August 2018].

Deloitte. (2015). African Powers of Retailing New horizons for growth. (Online) Available at: https://www2.deloitte.com/content/dam/Deloitte/za/Documents/consumer-business/Deloitte-African-powers-of-retailing-Feb16.pdf. [Accessed on 9 July 2018].

Dhurup, M. & Oosthuyzen, A. (2010). Salient store image attributes in consumer store selection decisions and the relationship with store satisfaction and loyalty. *Journal of Contemporary Management,* 7:380-401.

Drotskie, A. & Herbst, F.J. (2010). The total customer experience as a sustainable strategic differentiator. *Journal of Contemporary Management*, 7:919-207.

Eriksson, P. & Kovalainen, A. (2016). *Qualitative Methods in Business Research: A Practical Guide to Social Research.* 2nd edition. London: Sage Publications Ltd.

Euromonitor. (2018). *Retailing in South Africa*. Euromonitor International.

Fischer, M. Volckner, F. & Sattler, H. (2010). How important are brands? A cross-category, cross country study. *Journal of Marketing Research.* 25: 823-893.

Fornell, C. and Larcker, D.F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics, *Journal of Marketing Research*, 18(3): 382-388.

Gentile, C., Spiller, N. and Noci, G. (2007). How to sustain the customer experience: An overview of experience components that co-create value with the customer. *European Management Journal*, 25(5):395–410.

Grecu, A. (2016). *Omni-channel retailing – towards factors which affect a shopping journey.* (Online) Available at: http://projekter.aau.dk/projekter/files/239576480/Final_Master_thesis.pdf. [Accessed on 29 July 2018].

Grewal, D. Levy, M. & Kumar, V. (2009). Customer experience management in retailing: An organizing framework. *Journal of Retailing* 85(1): 1-14.

Huré, E., Picot-Coupey, K. & Ackermann, C. (2017). Understanding Omni-channel shopping value: a mixed method study. *Journal of retailing and consumer services,* 39: 314-330.

Ismana-Ilisan, C.M. (2017). The main new driver of customer experience in grocery retail – the fresh opportunity. *Economic Sciences,* 10(59):133-141.

Iyer, G. & Kuksov, D. (2012). Competition in Consumer Shopping Experience*. Marketing Science*, 31(6): 913-933.

Joseph, G. (2015). Sustaining Brick & Mortar through omni-channel: An emerging story of retail business model convergence. *The international Journal of Business & Management.* 3(2):2321-8916.

Joshi, B.H. Waghela, R. & Patel, K.T. (2015). An analysis of shoppers satisfaction level with shopping experience in the shopping malls. *International Journal of Multidisciplinary Approach and Studies,* 2(3):8-20.

Kallweit, K., Spreer, P & Toporowski,W. (2014). Why do customers use self-service information technologies in retail? The mediating effect of perceived service quality. *Journal of Retailing and Consumer Services*, 21:268-276.

Kemp, H. & Ellis, L. (2017). Quarterly analysis of consumer expectations and activity in retail, wholesale and motor trade. *Bureau of Economic Research*, 32(2): 1-58.

Kuhn, S.W. & Mostert, P.G. (2015). Customer satisfaction and relationship intention within the South African clothing retail industry. *The Retail and Marketing review,* 11(2):25-59.

Leischnig, A. Scherteger, M. & Geigenmueller, A. (2011). Do shopping events promote retail brands? *International Journal of Retail & Distribution Management,* 39(8):619-634.

Lemke, F. Clark, M. & Wilson, H. (2011). Customer experience quality: an exportation in business and consumer contexts using repertory grid technique. *Journal of the Academy of Marketing Science,* 39:846-869.

Mackay, A. (2014). *Building brands in a rapidly changing market: lessons for South Africa*. (Online) Available: http://www.themarketingsite.com/content/YW%20Whitepaper%20Brands%20in%20a%20Changing%20SA%20screen%20version.pdf [Accessed on 29 July 2018].

Masojada, M. (2018). *#BizTrends2018: What is shaping grocery retail in South Africa- Part1: Bizcommunity*. (Online) Available: http://www.bizcommunity.com/Article/196/731/172117.html. [Accessed on 13 August 2018].

Mathaba, R.L. Dhurup, M, & Mpinganjira, M. (2017). Customer Satisfaction levels, store loyalty and perceived important store attributes among sportswear apparel shoppers in Soweto. *The Retail and Marketing Review,* 13(2):15-28.

Maxwell, J. (2017). *10 Retailer investments for an uncertain future. PwC, 1-45*. (Online) Available: https://www.pwc.com/gx/en/industries/assets/total-retail-2017.pdf. [Accessed on 7 August 2018].

McColl-Kennedy, J.K. Gustafsson, A. Jaakkola, E. Klaus, P. Radnor, Z.J. Perks, H. & Friman, M. (2015). Fresh perspective on customer experience. *Journal of Service Marketing,* 29(6/7):430-435.

Meyer, C., & Schwager, A. (2007). Understanding customer experience. *Harvard Business Review*, 85(2), 117–126.

Mohd-Ramly, S. & Omar, N. A. (2017). Exploring the influence of store attributes on customer experience and customer engagement. *International Journal of Retail & Distribution Management,* 45(11):1138-1158.

Musa, H., Mohamad, M. A., Khalid, F. A., Rahim, N. A. & Zamri, N. N. A. (2015). *Factors Affecting Customer Satisfaction towards Online Shopping*. (Online) Available: https://www.researchgate.net/publication/281114238_Factors_Affecting_Customer_Satisfaction_towards_Online_Shopping [Accessed on 22 September 2018].

Nielson. (2017). *South Africans will pay more for premium brands, Nielsen data*. (Online) Available: https://africabusinesscommunities.com/news/south-africans-will-pay-more-for-premium-brands-nielsen-data/ [Accessed on 10 July 2018].

Paul, J., Sankaranarayanan, K. G & Mekoth, N. (2016). Consumer satisfaction in retail stores: theory and implications. *International Journal of Consumer Studies*, 40: 635–642.

Prinsloo, D .A. (2016). *Retail trends in a very dynamic South Africa. Urban studies*. (Online) Available: http://urbanstudies.co.za/retail-trends-in-a-very-dynamic-south-african-market/ [Accessed on 11 August 2018].

Qukula, Q. (2016). *Pick n Pay pilots serlf service checkouts*. (Online) Available: http://www.triseno.com/forminfo35612.asp?//articles/22418/pick-n-pay-pilots-self-service-checkouts [Accessed on 13 September 2018].

Rajic, T. & Dado, J. (2013). Modelling the relationships among retail atmospherics, service quality, satisfaction and customer behavioural intentions in an emerging economy context. *Total Quality Management.* 24(9):1096-1110.

Rose, S., Clark, M., Samouel, P., & Hair, N. (2012). Online customer experience in e-retailing: An empirical model of antecedents and outcomes. *Journal of Retailing*, 88(2), 308–322.

Rose, S., Hair, N., & Clark, M. (2010). Online customer experience: A review of the business to-consumer online purchase context. *International Journal of Management Reviews*, 13(1), 24–39.

Rosemayer, A. Mcquilken, L. Ogden, S. & Robertson, N. (2018). Omni-channel services failures and recoveries: refined typologies using Facebookm complaints. *Journal of Services Marketing,* 43(3):263-296.

Sachdeva, I. & Goel, S. (2015). Retail store environment and customer experience: a paradigm. *Journal of Fashion Marketing and Management,* 13:290-298.

Saunders, M., Lewis, P. & Thornill, A. (2016). *Research Methods for Business Students.* 7th edition. Harlow: Pearson Education Limited.

Siebersa, L. Q., Zhangb, T. & Li, T. (2013). Retail positioning through customer satisfaction: an alternative explanation to the resource-based view, *Journal of Strategic Marketing*: 1-33.

Stander Trade (2018). *South Africa: reaching the consumer*. (Online) Available at: https://en.portal.santandertrade.com/analyse-markets/south-africa/reaching-the consumers?&actualiser_id_banque=oui&id_banque=0&memoriser_choix=memoriser [Accessed on 22 August 2018].

Stats SA, (2018). *Gross Domestic Product 2017*. (Online) Available: http://www.statssa.gov.za/publications/P0441/GDP_Q4_2017_Media_presentation.pdf [Accessed on 27 August 2018].

Schmitt, B., (1999). Experiential marketing. *Journal of Marketing Management*, 15(1–3):53–67.-0021.

Smith, C. (2018). *Retail trade sales, inflation mean SARB likely to keep rates steady – analysts*. (Online) Available: https://www.fin24.com/Economy/retail-trade-sales-inflation-mean-sarb-likely-to-keep-rates-steady-analysts-20180718. [Accessed 22 September 2018].

Srivastava, M. & Kaul, D. (2016). Exploring the link between customer experience-loyalty-consumer spend. *Journal of Retailing and Consumer Service,* 21:277-286.

Stein, A., Ramaseshan, B. (2016). Towards the identification of customer experience touch point elements. *Journal of Retailing and Consumer Science*, 30:8-19.

Sumathi, Vidya, R. &. Akash, S.B. (2014). Organized Retailers: Drivers of Customer Satisfaction. *Journal of Indian Management*, 1: 87-91.

Terblanche, N.S. & Boshoff, C. (2006). The relationship between a satisfactory in-store shopping experience and retailer loyalty. *South African .Journal of Business Management,* 37(2):33-42.

Tshabalala, Z. S (2016). *The Influence of consumer decision-making styles on impulsive and careless buying of eco-friendly products.* Master's dissertation. Johannesburg: University of the Witwatersrand.

Van Wamelen, A. Chase, B. & Legoete, T. (2010). *A seismic shift in South Africa's consumer landscape*. (Online) Available at: https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/a-seismic-shift-in-south-africas-consumer-landscape [Accessed on 2 September 2018].

Venter, M., Chinonoma. R & Chuchu. T (2016). The influence of store environment on brand trust, brand satisfaction and brand loyalty among the black middle class. *The Retail & Marketing review* 12(2): 47-56.

Yoon, S.J (2013). Antecedents and consequences of in-store experiences based on an experiential typology. *European Journal of Marketing*, 47(5/6):693-714.