# Profiling supermarket shoppers in South Africa – a segmentation analysis of service quality dimensions

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*Abstract*

*Post Apartheid, the South African supermarket industry has rapidly increased in size and stature, and currently resembles a first world retail sector in an emerging market. However, customer satisfaction doesn't appear to feature highly on the retailers' list of priorities. It would seem that investment in growth has superseded investment in fostering customer goodwill. To this end, research is required into which aspects of service delivery pay dividends and the impact of demographics on the perceived relative importance of such factors. The research considers urban dwellers in the middle to upper market segments who shop at one of the major supermarket chains. A conceptual overview was gained through scrutiny of service quality literature and the empirical analysis conducted by means of a customer survey wherein descriptive statistics, ANOVA analysis and Tukey's post hoc tests were used to analyse the data. According to respondents, the three most important service quality items were cleanliness, displaying visible prices and a helpful staff. The main reason for supermarket choice was a convenient location with the vast majority of customers citing location as the reason they shop at their particular supermarket. This was followed by convenient operation hours and a wide merchandise variety. Females, older individuals and higher LSM consumers were found to be more discerning shoppers.*

## Introduction

The current market place has become more competitive as customers continually expect retailers to exceed their increasing expectations (Wong and Sohal, 2003). As a result, retailers encounter many challenges with regards to store loyalty and retention. One of the key differentiating factors in the retail environment is the use of effective customer services (Ellram et al, 1999) to meet the increasing expectations of customers. Failing to implement a

strategy that regards customer service as an essential component of a retailer's offerings will result in customers being dissatisfied which will ultimately lead to a lack of loyalty (Wong and Sohal, 2003).

The South African supermarket industry contains a small number of large supermarket chains which dominate the local retailing space. In this respect, Shoprite, Pick n Pay, Spar, Checkers and Woolworths are thought to control the supermarket trading environment in South Africa and are often referred to as the 'Big Five'. An examination of the shopping experience within these mainstream supermarket chains forms the basis of this study.

### Research Problem

Since the end of Apartheid in 1994, the South African supermarket industry has ballooned in size (Reardon et al, 2003). In times of severe competition and rising customer expectations, supermarkets are extremely involved in keeping existing customers. Due to the fact that virtually all companies depend on repeat business and loyal customers, it is imperative to ascertain how different segments of consumers perceive the importance of service quality dimensions to be. The research aims to establish which dimensions are deemed most important to South African supermarket shoppers between LSM 4 to 10 (i.e. the middle class). Furthermore, the impact of demographics on the perceived relative importance of such factors will be investigated.

### Literature Review

Retail stores have evolved from providing only physical products that address consumers' needs (Pan, 2006) to offering a solution centre that integrates the sale of both physical products and value-added services to attain competitive advantages (Davies, 2006). There is certainly a case to be made that effective service delivery can lead to higher levels of customer retention, increased sales and, thereafter, increased profits. Hence this issue warrants consideration in any business.

The literature identifies several important dimensions of retail service quality which have an impact on perceived customer service quality. However, within the retail supermarket industry, Vàzquez et al. (2001) and Huang (2009) developed the following service quality factors: Physical Aspects, Reliability, Personal Interaction, Problem Solving and Policy which will be used for the purpose of this study.

### Physical Aspects

The concept of physical aspects is defined as the retail store appearance and store layout. The literature indicates that the actual store environment, facilities and even image for example, safe and beautiful, have become factors which retailers can use to gain the competitive edge and influence customer satisfaction. Physical environment plays an important role in the service encounter of the grocery industry (Keillor, et al., 2004) and exemplary retailers insist on store cleanliness, as well as a layout that enables customer orientation and product identification (Vàzquez et al., 2001).

According to Abu (2004), a proper store layout that is easy to navigate will reduce shopper's search time. Further more Fisher et al. (2006), suggests that customers often do not find the products they seek, even if these products are within the store, due to poor store layout and this leads to poor perceptions and the consumer turning to a competitor for solutions.

Perceptions of store appearance provide tangible clues about service quality (Bitner, 1990) and it has been noted that the appearance of the store is widely acknowledged as an essential determinant of the shopping experience (Dabholkar, 1996).

**Reliability**
The literature indicates that reliability measures the store's ability to deliver the service that has been promised to customers accurately and without error. This implies that the store must practice a philosophy of getting it right first time all the time. It must be able to keep its promises, meet deadlines and provide timely and accurate information to customers (Newman, 2001). Accurate information includes clear product pricing, as well as correct and precise information regarding the product (Vàzquez et al., 2001). Reliability also refers to the store being able to have merchandise available when needed (Vàzquez et al., 2001). Interviews conducted by Dabholkar et al. (1996) revealed that customers view reliability as a combination of keeping promises and doing it right.

In the supermarket environment, limited availability of stock or long queues for the cash register refers to a lack of reliability on behalf of the retailer. It has been proved that lengthy waits for the cash register can result in consumers developing negative perceptions and decreased customer satisfaction.

According to Zinn (2001), a stock out can result in the consumer leaving the store and forgoing the purchase and search for the item elsewhere. Furthermore, in the long run, continuous stock outs could have a negative impact on future patronage and result in negative perceptions and negative word of mouth.

**Personal Interaction**
Sales assistants play a pivotal role in a customer service scenario, with the most important attributes being store clerk attitude and treatment of customers (Gagliano, 1994). The service offered by sales personnel is perhaps the most highly visible service quality attribute. Darian et al. (2001) noted the importance of sales personnel's knowledge regarding new products, prices, and other variations of store offerings, the ability to provide only information required, as well as to not be condescending to the customer.

The literature suggests that employees are viewed as facilitators of the sales process who are critical to improving the conversion ratio, by providing information to the customers on prices, brands, and product features and by helping customers, to navigate store aisles, finding the product and even cross-selling other products.

As stated by Crosby (1990), the service salesperson is the primary, if not the only contact point for the customer both before and after the purchase the salesperson is the company. Hence the salesperson is a direct representative of the retailer and is able to significantly alter consumer's perceptions regarding the store. According to Sweeny (1997), perceptions of good service quality from an encounter with an employee or employees are crucial to the purchase decision.

**Problem Solving**
Problem solving refers to the stores capability of handling returns and exchanges, as well as processing customers' problems and complaints. It includes the stores ability to express a sincere and genuine interest in solving the customer's problem and extends to the ability of the staff to handle complaints directly and immediately (Vàzquez et al., 2001).

The literature suggests that customers will have higher perceptions of stores which have effective problem solving processes in place. According to Lewis et al. (2001) a good problem solving system will detect and solve problems, prevent dissatisfaction, and be designed to encourage complaints and further effective problem solving can have a beneficial impact on consumer evaluations.

Both the store and employees should be willing and able to deliver timely and relevant responses to both enquiries and complaints of customers as problem solving has long been recognized as an important part of service quality (Swanson, 2001). Service failures may

upset or anger customers, but failure to immediately and effectively address service failures is sure to arouse dissatisfaction or complaints (Chang, 2008).

Halstead and Page (1992) found that dissatisfied customers were more likely to repurchase when their complaints were dealt with satisfactorily. There is further evidence of satisfactory problem resolution resulting in enhanced repurchase intentions and is provided by research conducted by Singh and Widing (1981). It is therefore in the interests of the store to ensure that adequate and effective measures are implemented in order to facilitate problem solving for the consumer. These measures can take the form of customer care lines, customer care desk, helpful staff or even a website. It has also been found that the post-transaction service offered by the store builds credibility and influences the favourable perception of the consumers (Lindquist, 1974).

## Policy

Store policy refers to a store's practices regarding merchandise, credit facilities, loyalty programs, operating hours, parking and peripheral services that the retailer may offer. Customers expect retailers to be supportive and thus any service mechanism that suggests empathy and understanding will enhance consumer satisfaction (Dabholkar et al, 1994).

It was found that stores endowed with good facilities, such as convenient parking, were more likely to secure a favourable consumer perception (Thang, 2003). According to Mazursky and Jacoby (1985), important criteria on which customers evaluate retail stores are the credit and charge account policies of the store and as such have been included under policy. When customers evaluate whether a store has convenient hours, for example, this is viewed as whether the store's policy is responsive to customers' needs (Dabholkar et al., 1996). The literature suggests that stores that are seen as responsive to consumers needs tend to generate higher levels of perceived service quality.

Brady & Cronin (2001) state that the evaluation of quality of service should include an evaluation on the performance of the physical goods offered to customers and they have therefore been introduced under policy. The customer satisfaction literature emphasizes that the quality of the offered goods plays a key role in influencing the end user's satisfaction. When shoppers perceive that the store offers a wide product assortment and that the products offer good value, they feel positive emotions like pleasure, excitement, contentment, pride, and satisfaction (Yoo, 1998). Stores that are perceived as having superior merchandising are likely to be preferred by consumers (Thang, 2003).

The evaluation of the performance of the goods on offer also includes the stores ability to stock a wide range of products; the freshness of meat, fruit and vegetables; the assortment of fresh produce available as well as high quality of private brands (Vàzquez et al., 2001). Failing to meet the expectations of the consumer in any of the aforementioned areas could result in the consumer experiencing lower levels of satisfaction. It has been indicated that continuous complaints of inconsistent produce quality could result in negative perceptions regarding the store (Bruhn et al., 2007) and hence lead to reduced levels of satisfaction.

## Methodology

Due to this being an independent study, the researchers were not able to obtain a specific database of supermarket shoppers. Hence, a non-probability technique using convenience sampling was used.

In order to understand consumers' attitudes towards the different facets of service quality and to fulfil the pre-determined research objectives, a large amount of empirical data was collected. Scales were based on those proposed by Vazquez (2001) and measured on a 5 point Likert scale, where respondents were able to rate their level of agreement or disagreement with the statement. Numerical and categorical scales were inserted at the end of the questionnaire in order to gain insight into respondent's demographics.
A pre-test was conducted in order to ensure that the questionnaire was clear, understandable and free of errors. Face validity was confirmed and the questionnaire was thereafter distributed to a small sample of 57 people to complete. The questionnaire, was thereafter, deemed suitable for full scale deployment.

For the purpose of the research study, both online and personally administered surveys were used as a means of collecting data in order to obtain a diverse cross section of respondents. Although online deployment across the board would have been the most efficient method of data collection, this dual approach was necessitated by the fact that the internet penetration rate in South Africa is relatively low compared to more developed countries. Furthermore, many consumers in the LSM 4-7 bracket do not have access to the internet. For this reason, it was decided that the online questionnaire would target the upper LSM levels and the personally administered survey would target consumers in the LSM 4-7 segment. In total 307 responses were collected, with 160 of these being obtained through the online survey.

In order to test the internal reliability of the constructs that were used, a series of Item Reliability tests were conducted (see table 1). Cronbach Alphas of above 0.6 were preferable but Cronbach Alphas of above 0.5 were also considered as reliable as this research was conducted in an emerging market.

| Scale | Construct # | Number of manifest Variables | Cronbach Alpha (α) |
|---|---|---|---|
| Physical Appearance | 1 | 4 | 0.636 |
| Reliability | 2 | 4 | 0.579 |
| Personal Interaction | 3 | 3 | 0.794 |
| Problem Solving | 4 | 3 | 0.773 |
| Policy | 5 | 4 | 0.500 |

*Table 1: Item Reliability Analysis Results*

Whilst every effort was made to ensure adequate representation of consumers from all cohorts, small sample biases are inevitable. The gender split is slightly skewed towards females. This was anticipated from the beginning of the study as females are generally the primary shoppers in South Africa and are therefore more willing to answer the questionnaire. Individuals between the ages of 36 and 45 and lower income consumers were marginally under represented. It was particularly challenging to find lower income consumers to complete the questionnaire – partially due to suspicious surrounding the survey process. White respondents constituted approximately a third of the sample, with people of colour representing two thirds. Although this is not within keeping of the overall South African population, it does tend towards reflecting the profile of mainstream supermarket shoppers in the country.

## Findings
### Perceptions of Service Quality Expectations

General perceptions of the importance of various service quality attributes were initially explored. The table in Appendix II indicates the variables that were used to measure customer service quality. Table 2, below, comprises a breakdown of the response rates for each level of agreement.

| Constructs | Variables | Very Unimportant | Unimportant | Neutral | Important | Very Important |
|---|---|---|---|---|---|---|
| Physical Aspects | Appearance | 0% | 1% | 5% | 54% | 41% |
| | Clean | 0% | 1% | 3% | 26% | 70% |
| | Layout | 0% | 1% | 4% | 42% | 52% |
| | Design | 0% | 1% | 11% | 48% | 40% |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Reliability** | **Queue** | 0% | 2% | 10% | 34% | 53% |
| | **Visible Prices** | 0% | 1% | 5% | 37% | 57% |
| | **Sales Promo Info** | 0% | 9% | 21% | 41% | 29% |
| | **Stock** | 0% | 2% | 12% | 49% | 37% |
| **Personal Interaction** | **Staff** | 0% | 0% | 7% | 38% | 55% |
| | **Willing to Help** | 0% | 2% | 8% | 38% | 53% |
| | **Knowledge** | 0% | 3% | 11% | 40% | 46% |
| **Problem Solving** | **Queries & Complaints** | 0% | 1% | 7% | 38% | 54% |
| | **Resolving Problems** | 0% | 1% | 7% | 46% | 45% |
| | **Returns Policy** | 1% | 3% | 14% | 45% | 37% |
| **Policy** | **Assortment** | 0% | 1% | 5% | 45% | 48% |
| | **Convenient Op Hours** | 0% | 1% | 9% | 48% | 42% |
| | **Parking** | 1% | 2% | 9% | 37% | 51% |
| | **Extra Facilities** | 1% | 8% | 20% | 45% | 27% |

*Table 2: Responses for the perceived importance of the Service Quality attributes*

Of the 297 respondents sampled, almost all (93%) respondents felt that the Physical Aspects factor of a supermarket store was either important or very important. Seven out of ten (70%) respondents viewed the provision of a clean shopping environment and efficient store operations as very important.  84% of the respondents felt that the Reliability factor or the store's ability to deliver services as promised, accurately and reliably, was essential. 87% of respondents believed that long queues at the cash register results in a lack of reliability on behalf of the store. More importantly, 94% of the sample believed that the store's ability to provide accurate and clear product pricing was vital.

Respondents felt that personal interaction with store staff is important, as 90% of the sample answered either important or very important for these questions. 37% of respondents rated the importance of staff being friendly and polite in a supermarket as important, while 55% rated it as being very important. 88% of respondents felt that the store's problem solving ability was an essential part of service quality. 91% felt that the store's ability to resolve problems was significant. 86% of respondents felt that a supermarket's Policy factor of customer service was either important or very important. 90% of the sample viewed convenient operational hours as being either an important or very important component of customer service. 88% of respondents felt that the availability of a free and safe parking facility was essential whereas only 72% of respondents felt that the availability of extra facilities such as working trolleys, toilets and payphones are important.

Table 3 ranks the various items of service quality in order of perceived importance as according to their means. The item of service quality that is considered the most important is cleanliness which falls into the Physical Aspects factor of service quality with an extremely high mean of 4.66. Extra Facilities, which falls under the Policy factor, is considered the least important aspect of service quality with a mean of just 3.88.

| Service Quality items | Standard Deviation | Mean | Rank |
|---|---|---|---|
| **Clean** | 0.57 | 4.66 | 1 |
| **Visible Prices** | 0.66 | 4.48 | 2 |
| **Staff** | 0.64 | 4.47 | 3 |
| **Layout** | 0.65 | 4.45 | 4 |
| **Queries and Complaints** | 0.68 | 4.44 | 5 |
| **Willing to Help** | 0.72 | 4.41 | 6 |
| **Assortment** | 0.66 | 4.40 | 7 |
| **Queue** | 0.75 | 4.39 | 8 |
| **Parking** | 0.77 | 4.37 | 9 |
| **Resolving Problems** | 0.70 | 4.35 | 10 |

| | | | |
|---|---|---|---|
| **Appearance** | 0.60 | 4.35 | 11 |
| **Convenient Operation Hours** | 0.67 | 4.33 | 12 |
| **Knowledge** | 0.80 | 4.28 | 13 |
| **Design** | 0.68 | 4.27 | 14 |
| **Stock** | 0.72 | 4.21 | 15 |
| **Returns Policy** | 0.83 | 4.14 | 16 |
| **Sales Promo Info** | 0.93 | 3.89 | 17 |
| **Extra Facilities** | 0.94 | 3.88 | 18 |

Table 3: Means and ranks of the various Service Quality items

## Perceptual variances based on demographic characteristics

The ANOVA method only tells one whether two groups differ on average but post-hoc tests allow one to establish which mean(s) is (are) different, and in what ranking order (ibid). Although many post-hoc tests exist, Tukey's multiple comparison method will be used as it is designed for cases where the sample sizes of each group are not equal (Stevens, 1999). Tukey's method calculates pair-wise comparisons and reports their associated p-values (ibid). These allow one to accept or reject the null hypothesis that the means of the paired variables are equal (ibid). The p-value must be less than 0.05 in order to conclude that population means differ among the two groups.

Therefore it is important to understand how the different demographic variables influence what individuals consider as important aspects of service quality in order for supermarkets to create an optimum strategy for retaining customers. The relevant p-values from the ANOVA tests have been included in table 4 below. P-values highlighted in red show that a significant difference in means existed.

| Constructs | Variables | Gender | Age | Income | Ethnicity |
|---|---|---|---|---|---|
| Physical aspects | Appearance | 0.00 | 0.07 | 0.20 | 0.02 |
| | Clean | 0.08 | 0.07 | 0.03 | 0.00 |
| | Layout | 0.00 | 0.02 | 0.03 | 0.00 |
| | Design | 0.00 | 0.07 | 0.02 | 0.00 |
| Reliability | Queue | 0.01 | 0.08 | 0.00 | 0.00 |
| | Visible Prices | 0.55 | 0.02 | 0.33 | 0.19 |
| | Info | 0.00 | 0.45 | 0.37 | 0.00 |
| | Stock | 0.82 | 0.29 | 0.39 | 0.04 |
| Personal Interaction | Staff | 0.00 | 0.00 | 0.04 | 0.05 |
| | Willing to Help | 0.03 | 0.05 | 0.02 | 0.13 |
| | Knowledge | 0.00 | 0.00 | 0.20 | 0.07 |
| Problem Solving | Queries and Complaints | 0.04 | 0.08 | 0.13 | 0.06 |
| | Resolving Problems | 0.10 | 0.05 | 0.03 | 0.01 |
| | Returns Policy | 0.00 | 0.01 | 0.04 | 0.00 |
| Policy | Assortment | 0.06 | 0.95 | 0.07 | 0.01 |
| | Convenient Operation Hours | 0.44 | 0.96 | 0.35 | 0.55 |
| | Parking | 0.19 | 0.00 | 0.07 | 0.00 |
| | Extra Facilities | 0.00 | 0.00 | 0.01 | 0.00 |

Table 4: P-values from ANOVA test results for the Service Quality mix

**Variation between gender groups**

$H_0$     The group means of each of the gender groups are equal for the service quality mix variables.

$H_1$     At least one gender group mean differs for the service quality mix variables.

The results from table 4 show that gender has a significant effect with regards to perceived importance of certain service quality mix variables. These variables are Appearance, Layout, Design, Queue, Staff, Willing to Help, Queries and Complaints, Returns Policy and Extra Facilities. For these items the null hypothesis is rejected and it can therefore be concluded that the group mean for the female group differs from the male group for these variables at the 5% significance level.

A closer analysis of the means shows that females value Appearance, Layout, Design, Staff, Willing to Help, Queries and Complaints and Extra Facilities more than males do on average. The post hoc test results also show that on average males place more importance on the length of time required to wait in a queue than females.

**Variation between age groups**

$H_0$     The group means of each of the age groups are equal for the service quality mix variables.

$H_1$     At least one age group mean differs for the service quality mix variables.

The statistical output in table 4 shows that significant differences between different age group means exist for a number of the customer service mix variables, namely: Layout, Visible Prices, Staff, Willing to Help, Knowledge, Resolving Problems, Returns Policy, Parking and Extra Facilities. For these variables the null hypothesis can be rejected. For the remaining variables the null hypothesis cannot be rejected therefore the age group means for these items do not differ significantly.

| Variable | Difference between | Most Valued By |
|---|---|---|
| Layout | 34-45 and 56+ | 56+ |
| Visible Prices | 25-35 and 46-55 | 46-55 |
| Staff | 18-24 and 46-55 | 46-55 |
| Personnel Knowledge | 18-24 and 46-55<br>25-35 and 46-55 | 46-55<br>46-55 |
| Resolving Problems | 18-24 and 46-55 | 46-55 |
| Parking | 25-35 and 46-55<br>25-35 and 56+ | 46-55<br>56+ |
| Extra Facilities | 18-24 and 36-45<br>18-24 and 46-55 | 56+<br>46-55 |

*Table 5*: Tukey's HSD post-hoc test results for Age

From table 5, it can be seen that most of the differences in means are between the lower age groups (ages 18-24 and 25-35) and the older age groups (46-55 and 56+). The last column in the table displays the age group with the highest mean, or the age group that considered the particular aspect of service quality as being more important on average. The table shows that in all the cases where a significant difference in means existed, the older age group rated the particular service quality variable as more important than the younger age group on average.

**Variation between income groups**

$H_0$     The group means of each of the income groups are equal for the service quality mix variables.

$H_1$   At least one income group mean differs for the service quality mix variables

From the p-values in table 5 above, the results show that the null hypothesis can be rejected for the following variables: Clean, Layout, Design, Queue, Staff, Willing to Help, Resolving Problems, Returns Policy and Extra Facilities. Therefore for these variables there were significant differences in mean response between different income groups at the 5% significance level.

| Variable | Difference between | Most Valued By |
|---|---|---|
| Layout | LSM 5 and LSM 8 | LSM 8 |
| Design | LSMs 1-4 and LSM 10 | LSM 10 |
| Queue | LSM 5 and LSM 10<br>LSM 6 and LSM 10<br>LSM 6 and LSM 8 | LSM 10<br>LSM 10<br>LSM 8 |
| Staff | LSMs 1-4 and LSM 10 | LSM 10 |
| Willing to Help | LSMs 1-4 and LSM 8 | LSM 8 |
| Extra facilities | LSMs 1-4 and LSM 8 | LSM 8 |

*Table 7: Tukey's HSD post-hoc test results*

Tukey's HSD post-hoc tests, shown in table 7, displays less significant variables than the ANOVA results calculated. This is due to the fact that Tukey's HSD tests are more stringent in their acknowledgement of significant variables. Only variables for which the Tukey's tests showed to have significant differences in means were included in the table below. The results show that in all cases where a significant difference in means existed, the higher LSM considered the specific element of service quality as more important on average than the lower LSM group.

**Variation between ethnic groups**
$H_0$      The group means of each of the ethnic groups are equal for the service quality mix
          variables.
$H_1$       At least one ethnic group mean differs for the service quality mix variables.

Table 4 shows that there were significant differences between ethnic group means for the majority of the service quality variables. The only variables for which the null hypothesis is not rejected were Visible Prices, Willing to Help, Knowledge, Queries and Complaints and Convenient Operation Hours. For all other variables the null hypothesis can be rejected at the 5% significance level.

Table 7, below, displays the results of Tukey's HSD post-hoc tests conducted on all variables in which a significant difference in means was present.  Results show that almost all significant differences in means were between people of a Black ethnicity and others (Coloured, Indian and White). In every case, except for Extra Facilities, the non-Black ethnicity considers the particular aspect of service quality as more important than the Black respondents on average.

| Service Quality Mix | Difference Between | More Important To |
|---|---|---|
| Appearance | Black and Coloured | Coloured |

| | White and Coloured | Coloured |
|---|---|---|
| **Clean** | Black and Coloured<br>Black and Indian<br>Black and White | Coloured<br>Indian<br>White |
| **Layout** | Indian and Black<br>Indian and White | Indian<br>Indian |
| **Design** | Indian and Black | Indian |
| **Queue** | Black and Coloured<br>Black and Indian<br>Black and White | Coloured<br>Indian<br>White |
| **Correct Information** | White and Coloured | Coloured |
| **Stock** | Black and Indian<br>Black and White | Indian<br>White |
| **Staff** | White and Indian | Indian |
| **Resolving Problems** | Black and Coloured<br>Black and Indian | Coloured<br>Indian |
| **Returns Policy** | Black and Coloured<br>Black and Indian | Coloured<br>Indian |
| **Assortment** | Black and Coloured<br>Black and Indian | Coloured<br>Indian |
| **Parking** | Black and Coloured<br>Black and Indian<br>Black and White | Coloured<br>Indian<br>White |
| **Extra Facilities** | Black and Indian<br>Black and White | Black<br>Black |

*Table 7: Tukey's HSD post-hoc test results*

**Conclusion**

The means for the perceived importance of the various service quality items were all high indicating that in general, South Africans perceive customer service as being important. According to respondents, the three most important service quality items were cleanliness, displaying visible prices and a helpful staff. The aspect of service quality that was considered the least important by respondents was Extra Facilities with a mean of just 3.88. This could be due to the fact that supermarket shopping is considered as something to get done as quickly as possible and therefore facilities such as bathrooms and telephones are not perceived as being very important to the majority of South African shoppers. In terms of the five factors of service quality, the Physical Aspects factor was considered to be most important by respondents, followed by the Personal Interaction factor, Problem solving, Policy and finally the Reliability factor.

The ANOVA results indicated that demographic profiles and the supermarket a customer shops at influences the perceived importance of the service quality items. It was determined that in general females consider a number of the aspects of service quality as being more important than males. This may be due to the fact that females tend to do the majority of both convenience and bulk shopping and so are more sensitive to the aspects of service quality that make the shopping experience easier and less frustrating.

In terms of age groups, results showed that on average the older age groups considered a number of service quality elements as being more important than younger respondents. This may be due to younger individuals being more concerned with aspects such as price levels as they are likely to have less disposable income.

Significant differences between means were also found to exist between different LSM groups. In each case where a significant difference in means existed, the higher LSM groups considered the particular aspect of service quality as being more important than individuals

in a lower LSM group. This may be because individuals that fall into the lower LSM groups are more concerned with retail elements such as price and regular sales promotions. Individuals with higher gross household incomes are more concerned with the ease and convenience of the shopping experience as a whole and thus place more importance in certain aspects of service delivery.

Finally, significant differences were found to exist between ethnic group means for most of the service quality aspects. In all cases except for one, the non-Black ethnicity perceived the particular aspect of service quality as being more important. From this, it can be inferred that Black individuals place less importance, on average, on the service quality mix than do individuals of other ethnicities. This may be due to past inequalities of the Apartheid regime influencing the distribution of income across racial lines. Many Black residents in South Africa are classified into the lower LSMs. They have less disposable income in general and are therefore more concerned with competitive prices than service quality. This however does not hold for one aspect of service quality, namely Extra Facilities which was the only aspect of the mix for which the Black ethnicity had the highest mean. Supermarkets should be careful not to generalize though – the emergence of the Black middle class suggests that this trend is likely to change in future.

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**Research Note**

LSM: Living Standard Measure, as defined by the South African Advertising Research Foundation. The scale ranges from LSM 1 to LSM 10. Individuals in the lower LSM categories typically live in rural areas, have very limited/unstable income and only basic possessions. Individuals in the higher LSM categories typically live in metropolitan areas within a formal dwelling, are employed in the formal sector, own a means of transport (e.g. motor vehicle), and experience a first world lifestyle. Middle class consumers are typically regarded as being within the LSM 7-9 cohort. Please see http://www.saarf.co.za/AMPS/AMPS%20'08B%20Technical%20Report/data%20files/Technical/92-99.pdf for further details

**Appendix**

Table: A listing of the variables measured in the research instrument

| Variable | Referred to in text as: | Description |
|---|---|---|
| Phys_Appearance | Appearance | Rates the importance of the overall appearance of a supermarket. |
| Phys_Clean | Clean | Rates the importance of the provision of a clean shopping environment and operations of a supermarket. |
| Phys_Layout | Layout | Rates the importance of a layout that allows customers to easily find products in a supermarket. |
| Phys_Design | Design | Rates the importance of a store design that enables customers to move around with ease in a supermarket. |
| Relia_Queue | Queue | Rates the importance of the length of time that customers have to wait in a queue at a supermarket. |
| Relia_VisiblePrice | Visible Prices | Rates the importance of visible prices of products in a supermarket. |
| Relia_Info | Sales Promo Info | Rates the importance of correct and updated information on sales promotions in a supermarket. |
| Relia_Stock | Stock | Rates the importance of the availability of product in a supermarket. |
| Pers_Staff | Staff | Rates the importance of staff being friendly and polite in a supermarket. |
| Pers_WillingToHelp | Willing to Help | Rates the importance of a staff that are always willing to assist customers in a supermarket. |
| Pers_Knowledge | Knowledge | Rates the importance of a staff that have enough knowledge to answer questions asked by customers in a supermarket. |
| ProbS_QueriesComplaints | Queries and Complaints | Rates the importance of the supermarket's ability to deal with queries and complaints professionally. |
| ProbS_ResolvingProblems | Resolving Problems | Rates the importance of the supermarket's ability to efficiently resolve questions and problems. |
| ProbS_ReturnsPolicy | Returns Policy | Rates the importance of a supermarket's returns policies. |
| Policy_Assortment | Assortment | Rates the importance of a wide assortment of quality and fresh merchandise on the shelves of a supermarket. |
| Policy_ConvenientOpHours | Convenient Operation Hours | Rates the importance of convenient hours of operation of a supermarket. |
| Policy_Parking | Parking | Rates the importance of the availability of a convenient and safe parking facility of a supermarket. |
| Policy_ExtraFacilities | Extra Facilities | Rates the importance of the availability of extra facilities such as pay phones, working trolleys, toilets, etc in a supermarket. |