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SERVICE QUALITY IN A LANDLORD-SMALL BUSINESS RELATIONSHIP IN SHOPPING CENTRES

by

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PROF GH NIEMAN

April 2012

DECLARATION

I declare that the thesis,

“SERVICE QUALITY IN A LANDLORD-SMALL BUSINESS RELATIONSHIP IN SHOPPING CENTRES”,

is my own work, that all the sources used or quoted have been indicated and acknowledged by means of complete references, and that this thesis was not previously submitted by me for a degree at another university.

CORNELIA PETRONELLA JOHANNA HARMSE

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Dedicated to my parents, Jan and Lenie Labuschagne. Wish I could have shared this with you.

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SUMMARY

SERVICE QUALITY IN A LANDLORD-SMALL BUSINESS RELATIONSHIP IN SHOPPING CENTRES

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The service sector in the world economy is growing and becomes increasingly important. It is widely recognised that the success and vitality of the service sector are the essential factors in measuring an economy's progress, its quality and its future. Improving service quality is therefore considered an essential strategy for success and survival in today's competitive economic environment. Small businesses are equally important for a country's economy. They play an important role in the economic and social development of countries. The correct location for small businesses can contribute to their success and, many consider shopping centres as a good location for their businesses. The landlords however, have a huge impact on small business tenants' success in shopping centres. Although landlords of shopping centres realise the importance of accommodating small independent businesses in their centres, it is argued that they are at a competitive disadvantage regarding the service they receive in comparison with that of bigger anchor tenants. There are several research studies on the measurement of service quality in several service sectors, but none has addressed the quality of service rendered by landlords of shopping centres to their small business tenants.

The purpose of this study is to measure the perceived service quality that small business tenants in shopping centres receive from landlords. The study will also determine whether

the existing SERVPERF and FAIRSERV service quality models will be suitable to measure the service quality that landlords render to small business tenants.
The findings of the empirical study have revealed that small business tenants in shopping centres are in general dissatisfied with the service that they receive from their landlords. Factor analysis was done to determine the factors or dimensions of service quality that small business tenants deemed as important. From this study it became clear that small business tenants in shopping centres are concerned about mainly two aspects of the service they receive from landlords, namely intangible aspects as well as marketing and tangible aspects. This study has therefore proved that the five dimensions of SERVPERF and the one dimension of FAIRSERV cannot be applied directly to measure the perceived service quality that small business tenants receive from their landlords. The One Way Analysis of Variance (ANOVA) was also executed to illustrate statistical differences between various variables.

The contribution of this study to the science, as well as its possible limitations and areas for future research, is also discussed. This study further shows that, although small business tenants are dissatisfied with the service they receive from landlords, they have indicated that they will stay on as tenants in the centres. The reason for this is that it is simply too expensive for them to move to another location and also because shopping centres are good locations for their businesses.

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