

## Chapter 3

# RESEARCH METHODOLOGY

*This chapter presents the research methodology in terms of different phases for the three main areas of investigation in accordance with the objectives for the research.*

### 3.1 INTRODUCTION

The research was executed in specific phases with the intention to investigate the service offering in retail stores using different approaches and different techniques to enhance trustworthiness and credibility of the data. The different phases involved consumers, who were recruited in the various retail channels at point of sale; personnel (managerial staff as well as sales personnel) and eventually also representatives from industry. Their assessments of the service offering in appliance sales departments in retail stores were interpreted to eventually propose ways in which the service offering could be augmented to enhance informed, responsible buying decisions in a complex product category to the advantage of all parties involved. The conceptual framework (Figure 2.1) indicates the relevant concepts.

The research was executed in a sequence that allowed the formation of good relationships with the various retail outlets without which the success of the project would have been impossible. The research procedure and the findings are however reported by providing evidence of the interpretation of customers first to allow for an unfolding of evidence that seemed more appropriate for eventual interpretations.

### 3.2 PROBLEM STATEMENT

Extant literature mainly follows a marketing-dominated approach on how customer service (CS), service quality (SQ) and customer satisfaction levels relate to relevant relationship-orientated outcomes that will result in store loyalty, positive word-of-mouth communication, return intentions and recommendation of the store. Little has been done to date to evaluate the retail environment in terms of actions, conditions and processes that would enhance consumers' ability to make informed, responsible buying decisions, especially with regard to complex, expensive commodities such as major household appliances. Any effort to augment customer service is not straightforward, however. Customer service in fact represents a complex phenomenon where the interactive contributions of the individual elements of CS are integrated meticulously in terms of a particular CS scenario, such as selling major household appliances in a department store setting. An improved understanding of CS in terms of an augmented customer service offering would address the seemingly paradoxical situation in RSA where the provision of appliances in retail and the consumers' ability to make informed responsible buying decisions seem incongruent.

### 3.3 RESEARCH OBJECTIVES

The following objectives directed the research design and methodology:

1. To investigate and discuss **consumers' judgement** of the service offering in the appliance departments of selected retail channels in the RSA in terms of (i) tangible evidence of the service offering as well as (ii) consumers' perception of the service quality in terms of a SERVQUAL judgement, to
  - ▣ relate consumers' satisfaction with the customer service and their perception of the service quality to specific indicators such as age, product knowledge, interpretation of the ease to conclude the buying decision and product related experience.

- ❑ relate consumers' judgement of the service offering to their product knowledge as an indication of their potential to conclude informed, responsible buying decisions.
2. To investigate and describe the service offering in appliance departments in selected retail channels from the point of view of **store management** in terms of
    - ❑ *the visual presence* of the various elements of customer service (i.e. product; price; physical environment; personnel; processes; promotions) as defined in literature as elements of the marketing mix.
    - ❑ *sales personnel's suggestions* for optimal application and presentation of the various elements of CS during a sales encounter.
  3. To investigate and describe **industry's view** of their potential contribution towards augmented customer service (ACS) in appliance sales departments in retail stores and to discuss their potential contribution to ultimately enhance informed responsible buying decisions.
  4. To identify shortcomings in the service offering in appliance departments in prominent retail stores in terms of aspects that are neglected or counteract the potential of consumers to conclude informed, responsible buying decisions.
  5. To formulate suggestions on how the customer service (CS) in appliance departments in retail stores could be augmented to ultimately enhance the Service quality (SQ) beyond positive judgements to a service offering that encourages informed, responsible buying decisions.

### **3.4 RESEARCH STRATEGY**

This research was empirical in nature and followed an exploratory, descriptive approach. The research aimed at an immersion in the natural setting of a specific scenario in retail (appliance sales) to investigate, describe and evaluate processes as objectively and accurately as possible. Using the

interpretations and first-order descriptions of customer service (CS) and service quality (SQ), the study aimed to develop and make a deductive conclusion about customers' perception of SQ based on their personal in-store experiences and post-purchase evaluations to make retrospective conclusions that could be used as the basis for suggestions on how CS in retail in an emerging economy can be augmented to enhance SQ to the advantage of all parties (customers; retail; industry) involved.

The research was cross sectional and was launched and executed during May to July 2007. Assuming that judgements could change over time, the findings of this research project are intended to portray a cross sectional study, that is, to reflect consumers' judgement of the CS and consequent SQ in the appliance sales departments of prominent department stores at a specific point in time in the RSA (Babbie & Mouton, 2001:76, 92). CS and SQ, two distinctive yet interrelated phenomena, were investigated and described from the perspective of the relevant role players, namely customers, retail store personnel (as representatives of the store), and representatives of the industry. The objective was to determine whether the *a priori* service offerings were conducive for informed, responsible buying decisions and to detect shortcomings with regard to CS per se, as well as individual attributes of CS that could be enhanced to augment the CS offering to the benefit of all.

### **3.5 RESEARCH DESIGN**

A multiple research method was chosen. Primary data was collected through a combination of quantitative (surveys) and qualitative methods (personal interviews and projective techniques) in predetermined stages. Quantitative methods required a thorough scrutiny of existing literature and involved careful descriptions of the phenomena (CS; SQ). This also involved an investigation of existing scales and measuring instruments to enable an objective investigation, evaluation and description of the relationships between the different elements of CS and SQ using correct scientific methods to describe some part of the reality (a sales context) with certainty, ensuring reliability, validity and statistical significance (Hanson & Grimmer, 2007:59). A mix of quantitative and

qualitative methods, where the latter may extend towards the constructionist end of the continuum and to provide insight, is often used in marketing research (Hanson & Grimmer, 2007:58). The inclusion of interviews and projective techniques allowed an in-depth investigation of human behaviours and interpretations of practical commercially relevant problems in retail (Donoghue, 2000:47; Hanson & Grimmer, 2007:58). The qualitative methods were meant to supplement the quantitative research findings and to enable the researcher to interpret the perceptions and opinions of sales personnel and representatives of the industry (Catteral, 1998:70).

### **3.5.1 Phases 1 and 2: Quantitative approach (surveys)**

The survey involved two phases. Firstly, careful descriptions of the elements of customer service (CS) and the dimensions of service quality (SQ) through a thorough scrutiny of extant research and existing literature were done to design a questionnaire that could be used by customers to judge the service delivery of retail stores. The first preoccupation was to identify the relevant elements of CS for the context of this research (appliance sales) and the dimensions of SQ that served as the theoretical constructs that could be linked to observable measurements in the questionnaire (Babbie & Mouton, 2001:48; Eldabi *et al.*, 2002:65). Customers completed the questionnaire (Appendix 1) immediately after concluding a sales deal to reveal their satisfaction with the service offering of the store (CS as well as SQ interpretation). Consumers' product knowledge, specifically pertaining to the appliances they purchased on that specific day, was also tested in a specific section of the questionnaire to determine whether their product decisions were indicative of informed, responsible buying decisions. Limited demographic information that *inter alia* included details of age, gender and personal product experience in their own households was requested so that possible relationships between these variables and consumers' judgement of CS and SQ could be investigated.

Secondly, an observational survey (Appendix 2) was used to investigate the presence and the presentation of the various elements of the marketing mix in the appliance departments in the stores. This survey served as a method of verification rather than discovery and was performed in the relevant

departments of five selected stores with the consent and the cooperation of store managers.

### **3.5.2 Phases 3 and 4: An implementation of qualitative techniques: projective techniques and personal interviews**

Qualitative techniques of data collection were included to supplement quantitative methods in an attempt to understand respondents' construction of the reality; that is, respondents' quantitative judgement of the CS and SQ of the appliance sales department in a retail store (Catterall, 1998:70; Leedy, 1997:161; Walliman, 2004:246). In the design of the qualitative instruments, that is, projective technique and interviews, the techniques were selected and designed to disclose and understand individuals' personal viewpoints as a form of constructionism (Hanson & Grimmer, 2007:59). According to Hughes (2006:118), the inclusion of techniques that are typically used in qualitative research is valuable for the context-based relevance and appropriateness of the research. Although this research never intended to be qualitative in nature, selected methods were included to aid the understanding of the findings and the context.

Projective techniques (Appendix 3) served as a probe to gain an understanding of salespeoples' perception of problems in the workplace, as well as ideas/suggestions to augment CS, that is, to improve CS so that it would accommodate the needs of customers. The perspectives of the salespeople were investigated in their natural setting, that is, in their working environments in the retail stores where they were employed as sales assistants (Babbie & Mouton, 2001:270, 271). The projective technique was designed to gather data without intervention in or interference with the natural course of retail transactions.

Semi-structured interviews (Appendix 4) were used to gather primary data from representatives of the industry. The tasks were designed to elicit these individuals' prioritisation of the various elements of CS in retail and to investigate their viewpoints on the responsibility of industry towards the consumer, taking

into account that industry very seldom interacts with customers and that retail mostly mediates the discussions, enquiries or problems that may occur.

## **3.6 METHODOLOGY**

### **3.6.1 Phase 1: Customers' judgement of the CS in retail stores**

#### **3.6.1.1 Sample and sampling**

The sample frame consisted of all the customers of the prominent retail channels in South Africa, namely, Game, Dions, Makro, Furniture City and Hirsch's Homes that are known to have specific departments for household appliances. These channels were identified with the assistance of the industry (Whirlpool) as well as ECR (Efficient Consumer Response) SA, in a radius of 30 km in the Tshwane metropole in the province of Gauteng, South Africa. These stores were identified on the basis of their location in similar trading areas, although different in terms of the socioeconomic profiles of the location (Internet: Dion, 2006; Makro, 2006; Shoprite Holdings, 2006). The target market of these stores includes all population groups within a wide socio-economic spectrum that include LSM groups 6-8 (Du Plessis & Rousseau, 2003:49), irrespective of age and culture.

These stores stock a wide range of appliances from different manufacturers in mostly lower to middle price categories and keep a limited range of more sophisticated brands. Only one of the targeted department stores stocks a wider range of more exclusive, more expensive appliances which are displayed and promoted in special exhibitions such as partially built kitchens where the functioning of these appliances can actually be investigated. All stores, however, confirmed that they are willing to order any specific appliance if requested by a customer.

The target market of these stores is described as middle-income consumers in the LSM groups 6 to 8 (Cant *et al.*, 2006:90-94). With the assistance of industry, stores in Tshwane, Gauteng, within a radius of 30km were approached to participate in the research project. Consumers who visited the specific

department stores were regarded as groupings of a phenomenon, that is, typical customers of these department stores. The researcher limited enquiry about the profile and demographics of respondents because careful purposive sampling was supposed to provide a group of respondents whose characteristics may be taken to reflect that of the larger population (Babbie & Mouton, 2001:172, 232; Leedy, 1997:205, 213-214; Walliman, 2004:276). All members of the specific population – the customers – stood an equal chance of becoming part of the sample, as all customers, irrespective of age and gender, who concluded a sale in the appliance department of the selected store on that particular day were approached (Mouton, 2001:169). Purposive sampling permits an estimation of the representativeness and the degree of expected error. The researcher assumes that the responses of the participants are honest because only willing individuals, who gave their informed consent (Miller *et al.*, 2005:123), were included in the study.

With the manager's permission, all customers regardless of age or gender, who entered the appliance sales department of the selected store on the specific day (Mouton, 2001:169) and who eventually purchased an appliance before leaving the store, were invited to complete a questionnaire. Contextualisation of respondents to the research setting improved the probability that participants' responses would reflect on actual, recent buying experiences for the sake of the credibility of data (trustworthiness) (Wallendorf & Belk 1989:3). Respondents were actual clients of the respective stores and can therefore be considered a true image of the target market of the stores. In every instance, potential participants' consent in terms of participation and the objectives of the research was obtained first. To ensure honest responses, that is, data integrity, only willing customers participated (Wallendorf & Belk 1989:1; Miller *et al.*, 2005:124).

In each particular store, sampling was done on weekdays as well as on weekends.

### **3.6.1.2 Measuring instrument: the questionnaire**

A self-administered questionnaire (Appendix 1) was designed for data collection in phase 1 to question customers immediately after conclusion of a

sales deal in one of the selected stores. The questionnaire consisted of three sections:

- ❑ Section A dealt with customers' perception of the service quality (SQ) of the appliance department in the store. The SERVQUAL scale contained 28 questions.
- ❑ Section B enquired about customers' satisfaction with the customer service (CS) in the same department. It contained 30 questions.
- ❑ Section C represented a product knowledge test. It contained five subsections, each of which contained 10 basic "need to know" questions on the functional and performance attributes of one of the major household appliances. Every respondent completed three of these subsections: firstly the section that dealt with the appliance they had purchased on that particular day, for example washing machines, followed by any two other subsections that dealt with appliances they already owned and were experienced in using.
- ❑ Section D covered demographic information.

The questionnaire contained brief, closed-ended questions that were responded to by means of simple Likert-type scales to provide uniform answers. Care was taken to make instructions and items clear and unambiguous: the questionnaire was pre-tested beforehand to ensure that customers across the socioeconomic spectrum who visited the stores would understand the task (Babbie & Mouton, 2001:238; Eldabi *et al.*, 2002:66). The questionnaire was bilingual (Afrikaans and in English), and care was taken to ensure equivalence of meaning through a to and fro translation of the text by the researcher and experts in the field. However, because the survey was done in the retail stores, the researcher ensured that a trained assistant was always present to clarify issues, if necessary.

### **Section A: Service quality judgement**

The original SERVQUAL instrument compiled and revised by Parasuraman and co workers (1991:26) to measure consumers' perceptions of the SQ in retail provided the point of departure for this research. This scale was designed to

serve as a diagnostic methodology to identify shortcomings in SQ in retail, based on consumers' perceptions versus their expectations. Although used by several researchers, this scale has been severely criticised for its emphasis on service, and has consequently been adapted on various occasions. The SERVQUAL scale that was eventually chosen for implementation in this research context is the amended version that was compiled by Dabholkar *et al.* (1996:6), which specifically addresses a retail environment where a mix of merchandise and services (such as a department store) is offered.

This scale contained 28 statements that cover five dimensions of SQ, (i.e. *physical aspects, reliability, personal interaction, problem solving, policy*) and which required responses on a five-point Likert-type scale that ranged from 1 (disagree definitely) to 5 (agree definitely). A direct single item approach was followed rather than a two-dimensional expectation–gap analysis approach to simplify the task that had to be completed in the store after a shopping encounter and to limit the length of the questionnaire. A few minor wording changes were made to accommodate the specific scenario of this research but care was taken to retain the item content, for example:

- ❑ Reference to wrapping and packaging was changed because major appliances are not wrapped;
- ❑ Item 11 was added to this questionnaire: *"This store's sales people are neatly dressed"*
- ❑ Item 8: *"This store provides its services at the time it promises to do so"* was discarded as it duplicated item 7: *"When this store promises to do something at a certain time, it will do so"*.

Respondents were asked to treat the high end of the rating scale (5 on the 5-point scale) as representing *service excellence* and the low end of the scale (1) as the contrary, that is, *appalling* and to rate the store they visited accordingly. A five-point scale rather than a more intricate seven-point scale was favoured in this research (Babbie & Mouton, 2001:186) based on caution that the expectations of consumers in emerging economies are not necessarily well-formed and clearly defined compared to the judgements of customers in an affluent economy (Dabholkar *et al.*, 1996:9; Devlin *et al.*, 2003:13).

### **Section B: Customer service judgement**

Customers expressed their satisfaction with the CS offering of the store through responses to 30 statements that represented six pertinent elements of CS. Respondents once again marked the relevant options on a five-point Likert-type scale where the highest score (5) signified *highly satisfied*, and the lowest score (1) signified *highly dissatisfied*. Every element of CS was described through five carefully formulated statements, based on the literature. These statements were mixed randomly in the questionnaire to enhance truthful responses.

### **Section C: Product knowledge test**

The product knowledge test comprised five sections that covered different major appliances (i.e. dishwasher, a fridge or freezer, a washing machine, a microwave oven and a tumble dryer). Each subsection contained ten statements that required “True” or “False” or “Uncertain” responses depending on respondents’ confidence in agreeing with the content of the statements that covered basic “need to know” information relating to each of the appliances. These statements were formulated with basic functional and performance characteristics in mind. The statements originated from a test battery that is used for the training of Consumer Science students at the University of Pretoria in a specific module but the content was revised to reflect only the basic information and to include the latest developments in appliances. Every respondent completed the section on the appliance that was purchased on that particular day as well as any other two they thought they were experienced with. Correct answers scored one mark and the subtotals (thus a maximum of 10 for every appliance) as well as the means, minimum and maximum scores for the various appliances were calculated as an indication of whether customers, having concluded a product purchase, were informed about product characteristics and – performance. Ideally, consumers should clarify any uncertainties during the store visit and the sales encounter and should therefore be well informed by the time the deal is closed.

The outcome of the knowledge test was later used to verify the SQ and CS ratings.

#### **Section D: Demographic information**

The researcher assumed that all customers who actually purchased appliances at the various department stores were part of the stores' target market, that is, consumers from various sociocultural and socioeconomic backgrounds within the LSM groups 6 to 8 (middle income). Demographic information in the questionnaire was therefore limited to *gender, age and years of experience with appliances in their own households* for the purpose of statistical correlations. Respondents were also asked to indicate the *difficulty experienced during the buying process* on a five-point Smiley scale. This was meant to be correlated with their product knowledge scores and to explain the CS and SQ judgements, as an indication of whether they were aware of problems.

##### **3.6.1.3 Pre-testing of the questionnaire**

The questionnaire was pre-tested on ten customers in the exact setting in one of the selected retail stores (Babbie & Mouton, 2001:244-245). The length of the questionnaire seemed problematic at first: customers were not necessarily confident with the completion of questionnaires of this format and they complained that it took them too long to complete the task. It was then decided to retain the format of the questionnaire but to change the process from a self-administered questionnaire to completion of the same questionnaire in interview format. This procedure proved more successful and prevented respondents from skipping questions and losing interest.

##### **3.6.1.4 Data collection**

In order to recruit every customer who concluded a purchase, at least two assistants, that is, the researcher and one trained assistant or two experienced trained assistants, visited a specific store on any specific day. Trained assistants assisted willing respondents by explaining the objectives of the research, the

specific task in each section and the scales first before allowing them to respond to the individual questions.

The researcher and the assistants visited each of the selected stores of the participating channels during weekdays and over weekends with the intention to recruit a sample size of 300. An assistant was only exposed to a specific channel to prevent bias and assist transferability of data (Babbie & Mouton, 2001: 191, 287-292; Wallendorf & Belk 1989:3; Miller *et al.*, 2005:123). A branch of a specific channel was revisited to recruit additional respondents only when the estimated sample size for a specific store took too long to realise. Data collection was done over a period of two months.

Seven fourth-year undergraduate B Consumer Science students, who had successfully completed the relevant subject module as part of the study programme at the University of Pretoria assisted the researcher with data collection. Assistants worked in pairs and each group focused on a specific channel to ensure equal coverage of all channels and selected stores. In a multilingual society like South Africa it is important that respondents answer questions in a language they feel comfortable with. One of the problems experienced was to secure linguistic equivalence, as the country acknowledges eleven official languages of which only two languages, that is, Afrikaans and English, are generally used in formal, public communication. The assistance of a trained co-worker who speaks an African language was therefore used to assist with language issues in a specific geographic area where the customers were predominantly African (Babbie & Mouton, 2001: 239; De Ruyter & Schol, 1998:8). This assistant was appointed because she has a Masters degree in Consumer Science and her own research for degree purposes dealt with problems encountered by previously disadvantaged consumers with household technology. She intentionally targeted the selected stores in Soshanguve, a predominantly black suburb.

All respondents participated willingly and anonymously. However, to encourage participation, a microwave oven that was donated by industry and that could be won in a lucky draw, was used as an incentive for participation. Respondents who were interested in the competition added their telephone

numbers without any further identification, on a separate form for the lucky draw (Malaviya *et al.*, 2001:116). There was no possibility that these entries could be linked to specific completed questionnaires.

Questionnaires were completed under supervision of the researcher and/or assistants who were present in the store at the time, but without interference to ensure truthful response (Eldabi *et al.*, 2002:65; Martins *et al.*, 1996:215-221). When a couple agreed to participate, they were allowed to discuss the questions. In most cases one of the couple took responsibility for the task and in which case the individual who completed the questionnaire filled in his/her details in the section on demographic data.

#### **3.6.1.5 Data analysis**

The questionnaire provided quantifiable data that could be analysed and interpreted to describe customers' perception of SQ in the appliance sales departments of selected retail stores, customers' satisfaction with CS *per se* and their satisfaction with the specific elements of the service offering and to investigate relationships between such judgements and specific demographic data as an example of the judgement in an emerging economy. The outcome of knowledge tests was supposed to explicate/confirm SQ and CS judgements or to identify shortcomings in the service offering.

Section A contained the SERVQUAL scale. To ascertain the fit of the dimensions of the scale in the context of this research and to confirm the relevance and the reliability of the scale that was used in a country that reflects a combination and representation of third world as well as more sophisticated first world characteristics that might affect SQ judgements, the 28 items that represent various attributes of SQ were subjected to exploratory factor analysis using squared multiple correlations as initial communality estimates with direct oblimin rotation. Factor analysis revealed the dimensionality of the scale in the context of this research and provided an opportunity to compute construct reliabilities (Cronbach alphas). The descriptive statistics (means and standard deviations) obtained for the items in the proposed SERVQUAL scale in the context of this research are presented in Table 4.3.

Section B dealt with CS in terms of the tangible evidence of the service offering and consisted of 30 items that equally related to six elements of the marketing mix as presented in literature. The same statistical procedures that were applied to section A data, were implemented to explore and identify the elements of CS in the context of this research and to compute construct reliabilities. The descriptive statistics (means and standard deviations) obtained for the items in the proposed CS scale in the context of this research are presented in Table 4.1.

Consumers' product knowledge for the various appliances was calculated using descriptive statistics: percentages, means. Means and standard deviations are presented in Table 4.9. ANOVA was done to investigate a possible relationship between consumers' product knowledge and specific demographic variables, that is, *gender, age and years of product experience in their own households as well as difficulty expressed in making buying decisions* (Babbie & Mouton, 2001:475).

#### **3.6.1.6 Strategies to eliminate error**

The entire survey was planned in advance to enable conditional inter-subjectivity and to anticipate potential problems (Stenbacka, 2001:552). A professional statistician was used to capture and analyse data correctly according to the objectives of this study, thereby ensuring inferential validity.

To ensure *theoretical validity*, a thorough review of literature was done to define, clarify and understand the key concepts pertaining to CS, SQ and consumer satisfaction before the measuring instrument was compiled.

*Structural validity* was assured by recruiting only willing participants for the sample and by recruiting only those customers who actually concluded a purchase from the store on a specific day.

Consumers completed the questionnaires in the various stores immediately after closure of their sales deals. They were therefore contextualised to the

environment, which enhances the reliability of the data (McDaniel & Gates, 2004:36-37).

Because respondents were willing, their responses were believed to be honest and trustworthy.

Three hundred respondents were recruited, which compares favourably with sample sizes of similar studies (N=227) (Dabholkar *et al.*, 1996:9).

Customers were recruited in the selected retail stores and therefore it can be concluded that the sample is representative of the retailers' target market.

*Internal validity* was established by the close interaction with the real phenomenon, namely the customers in the retail stores at point of purchase (Gummesson, 2002:328; Hughes, 2006:118). Personal contact with customers who acted as respondents and the opportunity to explain the objectives of the research as well as the tasks at hand in person, enhanced the truthfulness and validity of the data.

To enhance the credibility and objectivity of interpretation of information, on-site interaction between the researcher and assistants occurred. A proper debriefing with the researcher was done after every store visit to discuss the research procedures, the data collection procedures and the strategies for the subsequent sessions. Possible conscious and non-conscious biases of the researcher in the selection of respondents were thus avoided (Babbie & Mouton, 2001:278).

*Inferential validity* was assured by appointing a professional statistician to monitor the data collection process and to capture and analyse the data correctly. The statistician monitored the researcher's interpretation of data, conclusions and application of data in terms of the larger population (Marshall & Rossman, 1989 in Eldabi *et al.*, 2002:65). The transferability of the findings to other contexts, that is, other emerging economies, is a concern. The findings

can however be useful for directing follow-up studies in similar contexts elsewhere.

### **3.6.2 Phase 2: Observational survey of the in-store environments**

#### **3.6.2.1 Sample and sampling**

Contact with the selected stores was made through liaison with the industry. Appointments were made with the managers of the various stores, during which the researcher explained the objectives of the study as well as research procedures. Store managers were assured that findings would be presented anonymous so that stores would not be identifiable. The researcher also assured them that the findings would not be used to discriminate between stores publicly. Stores agreed to participate on the condition that the findings of the research would be shared with them. In some cases consent to speak to the customers in the stores had to be *obtained* from the store's head office. Eventually all stores allowed the researcher to proceed with data collection and weekly visits were planned well in advance.

#### **3.6.2.2 Measuring instrument**

A score sheet was designed to evaluate the in-store presentation of six elements of CS (products, price, physical environment, personnel, processes and promotion) (Appendix 2). The content was based on the literature: ten questions were formulated to investigate the presentation of each of the elements. Scores for the items contained in the score sheet were obtained from a three-point Likert-type scale that ranged between a maximum score of 3 to the lowest score of 1. The descriptors that were used to indicate the intervals on the scales were chosen after consultation with personnel. In all instances a score of 3 indicated the commendable situation; 2 indicated an average or mediocre presentation and the minimum score of 1 indicated that the particular aspect was presented poorly. The score sheet served as a tool for objectively evaluating the visibility/presence of the various elements of CS in the stores by the store manager in the presence of the researcher. The score sheet was designed from scratch because nothing suitable of the kind could be found in literature. Although some researchers such as John Rossiter (Key note address, Latin American ACR conference, 2008) are in favour of single

item indexes, multiple index scale was designed to unequivocally describe the various constructs. The researcher included ten statements per element of CS after a scrutiny of the definitions and literature, in an attempt to enhance the validity of the judgement.

### **3.6.2.3 Data collection**

The researcher met the managers of one of each of the selected stores by appointment to assist with the completion of the evaluation form (Appendix 2) (Martins *et al.*, 1996:215-221). A manager or designated senior salesperson accompanied the researcher through the household appliance department to complete the survey. To ensure objectivity, the questions on the score sheet were put to the accompanying representative of the store and the answers were taken down by the researcher. In each store, each of the six elements of CS (products, price, physical environment, personnel, processes and promotion) was evaluated according to the items listed on the evaluation form and scored. The researcher did not comment on the representative's answers, nor did the researcher make any suggestions for changing any of the indicators. On completion of the exercise the outcome of the scoring was not discussed.

### **3.6.2.4 Data analysis**

Descriptive statistics were used to present frequencies, percentages and means in table format (Babbie & Mouton, 2001:433). Stores were numbered from 1 to 5 instead of disclosing their actual identities in the presentation of results. A data matrix was drawn: each horizontal row represented a store while the elements of CS (*products, price, physical environment, personnel, processes and promotion*) were presented in the vertical columns. Each cell therefore represented the value of the specific item for the store. Based on this matrix, a store's attention to a specific element was quantified and revealed.

It was assumed that neglect of an item by all the stores would indicate a general shortcoming/gap in CS that required attention to augment CS in general. Scores for the same item would on the other hand expose differences in the excellence of the various elements of CS for the various stores.

The systems perspective postulates that the interrelationship of the various elements of CS influences CS per se. This suggests that shortcomings in terms of certain elements of CS can be negated by the positive judgements of other elements of CS so that consumers' judgements of CS in its integrated form may not necessarily be negative and may not necessarily result in disloyalty towards that store (Whitchurch & Constantine, 1992:328). This phase of the research provided the opportunity to identify specific shortcomings in the CS offering of a store, and in retail, if any.

#### **3.6.2.5 Strategies to eliminate error**

Content validity was ensured through a thorough scrutiny of literature for the purpose of finalising the checklist. Techniques for increasing the credibility of the study during data collection included prolonged engagement, well-organised personal contact with the stores by the researcher, persistent observation of consumers and salespeople in the various stores as well as triangulation through use of various data collection methods.

To reach structural validity, five similar retail contexts were involved in the research project and the researcher spent enough time in each context to develop an understanding of daily activities and the stores' day-to-day offering of CS.

Internal validity was established through close interaction with the real phenomenon, that is, through the researcher's personal contact and interaction with the stores and the salespeople (Gummesson, 2002:328; Hughes, 2006:118).

### **3.6.3 Phase 3: Salespeople's judgement of CS through a projective technique**

#### **3.6.3.1 Sample and sampling**

Purposive sampling was used to sample salespeople in the household appliance departments of five selected stores (one of each of the participating channels). The researcher aimed to involve as many salespeople as possible to maximise data, to increase the trustworthiness of data and to reduce error (Babbie & Mouton, 2001:166). Most of the stores only had two or three salespeople in the respective departments, except for one store that had five permanently employed salespeople. All willing salespeople, in all the participating stores, who were involved in appliance sales on a daily basis and who had been employed for at least twelve months in that capacity, were invited to participate in phase 2 of the data collection process, that is, completion of a projective technique (Leedy, 1997:214; Walliman, 2004:276). Eighteen sales people eventually participated.

#### **3.6.3.2 Measuring instrument**

Qualitative techniques enable a researcher to enter into the private worlds of participants to uncover their inner perspectives on an issue/topic. It was very difficult to organise panel/focus group discussions with sales personnel because they were occupied and not available to participate as a group during store hours and they were reluctant to cooperate after hours as their working hours were very long (Gothan & Erasmus, 2003:8). A qualitative method, namely a projective technique, was chosen as the most suitable method to elicit salespeople's thoughts concerning the CS in the stores where they were appointed. This technique provided each participant with an opportunity to disclose ideas in private, in their own time, in a non-threatening manner (Donoghue, 2000:47). Sales personnel who were willing to participate were assured that their comments would remain anonymous.

Willing participants received a task in written format and were asked to complete it in their own time at home. The task required them to project

themselves into a managing capacity in the same store where they were employed and to base their recommendations on how to augment CS in that particular store on their personal interpretation of the existing service offering. They were instructed to make recommendations so that the service offering would benefit all the customers of the store, including those with limited experience in order to ensure customer satisfaction and to enhance the probability that, after an in-store encounter, consumers would conclude informed, responsible buying decisions. The content of the written assignment (Appendix 3) was formulated as follows:

***“Imagine that you have been appointed as the manager of a similar department in another branch of this store. You have been told that customers are not very happy with the Customer Service offered. Describe and explain possible reasons for their dissatisfaction and describe how the manager should improve the Customer Service offering in order to assist customers in making informed responsible buying decisions. Describe your recommendations in as much detail as possible”.***

***(Minimum 300 words)***

### **3.6.3.3 Data collection**

The researcher handed the task in written format to every salesperson and explained what was expected of them. Participants were allowed to complete the task in their own time at home, as they found it difficult to concentrate on the assignment while they were on duty and had to deal with customers and other responsibilities simultaneously. Participants were asked not to discuss their views or the task with colleagues. The researcher collected the completed assignments a few days later. All eighteen assignments that were handed out, were completed and collected in time.

### **3.6.3.4 Data analysis**

The analysis of qualitative data is described as being more explicitly interpretative, creative and personal, but still systematic and careful (Sandelowski & Barosso, 2003:905; Stenbacka, 2001:553; Leedy, 1997:162).

Content analysis was done through open coding of the content of each of the written responses (Babbie & Mouton, 2001:491) with the intention of identifying relevant constructs, that is, reference to the six elements of CS (*people, processes, product, physical surroundings, price, and promotions*). AtlasTi, a computer program for visual qualitative data analysis, management and theory building (Version WIN 4.2) was used. Open codes were created as coding progressed and text was attached to the different codes throughout. The text allocated to the different codes (elements) was then grouped and families were organised and coded to distinguish items that belonged together. Links between segments of text were created, as well as visual images of data. Frequencies of the attributes of different elements of CS were clearly revealed through the coded text (Babbie & Mouton, 1998:191; Northcut & McCoy, 2004:xxiii). A diagram was consequently drawn from the data by AtlasTi to distinguish the elements of CS that were identified by participants. The diagram visually integrated participants' suggestions and recommendations relating to critique of existing service offerings as well as suggestions that could in any way contribute to augmented CS. The coherent interpretation was later used to make recommendations within the assumptions of a systems approach.

This exercise enabled a discrimination of specific elements of CS in terms of their relevance and importance (hierarchy) as observed in existing service offerings and recommendations made by the participants (experienced sales people) who are regarded as prominent role players during a sales encounter in the retail environment (Northcutt & McCoy, 2004:xxiii).

### **3.6.3.5 Strategies to eliminate error**

All salespeople who complied with the criteria of selling household appliances on a daily basis in the selected retail stores and who had been employed for at least twelve months in that capacity were asked to participate in this exercise. This ensured the contextualisation of participants, thereby increasing the reliability of the study (McDaniel & Gates, 2004:36-37). All eighteen salespeople of the five selected stores that were invited to participate eventually made contributions. This represents a good construction of the reality and can therefore be regarded as adequate and trustworthy (Payne & Williams,

2005:297; Wallendorf & Belk, 1989:71). The researcher visited the stores in person and contacted the salespeople directly with the permission and cooperation of their managers (Gummesson, 2002:328; Hughes, 2006:118).

A combination of qualitative (projective techniques) and quantitative data collection techniques (survey) was implemented to investigate the service offering in the in-store environment.

By including interviews with representatives from industry as a final stage, the method provided opportunity for triangulation to increase the trustworthiness of the data (Babbie & Mouton, 2001:76, 92; Eldabi *et al.*, 2002:66).

Conditional inter-subjectivity was assured by striving for a good quality qualitative approach: the researcher did not interfere with responses to the in-store survey, nor did she assist with the completion of the projective technique. Throughout the research, the researcher kept an open mind in terms of changes to selected procedures if the situation merited such (Stenbacka, 2001:552).

#### **3.6.4 Phase 4: Interviews with industry to investigate their concerns about CS**

##### **3.6.4.1 Sample and sampling**

Industry, that is, the distributors of the various brands of household appliances in RSA, was contacted with the intention of obtaining their views about CS in retail and discussing their concerns about consumer facilitation and informed consumer decision making. Sampling was purposefully done to involve representatives of the brands that are commonly sold in the selected retail channels with the assistance of ECR (Efficient Consumer Response, a body that represents the interests of major retailers in RSA). A precondition was that the representative people interviewed had to be well informed about the CS in the various department stores that were involved in the research project (Leedy, 1997:214; Walliman, 2004:276). Four representatives of major companies were willing to grant interviews, that is, representatives of Bosch SA; Defy SA, LG and Whirlpool SA. Interviews were done personally or telephonically in cases where

the relevant representatives were not available upon appointment or who were situated elsewhere in the country. Interviews were done by appointment.

#### **3.6.4.2 Measuring instruments**

Semi-structured interviews that contained questions based on the findings of the three foregoing phases of the research project were designed (Appendix 4) to direct the discussions and to keep discussions brief and specific (Botha, 2001:13; Fontana & Frey, 1994:366-369; Kvale, 1996:103). The prompts evolved around CS, SQ and consumers' product knowledge, the main constructs of this study (De Ruyter & Scholl, 1998:12; Ritchie, 2005:131). Problems that came to the fore in the findings of phases 1 to 3 formed the basis for reflection and stimulation of industry's opinion, especially in terms of ways to augment CS and to enhance SQ to a level that not only induces customer satisfaction that would benefit retail and industry, but also supports informed responsible buying decisions. The interview schedule is presented in Appendix 4.

#### **3.6.4.3 Data collection**

Appointments were made with specific representatives of industry. Participants' approval for the recording of the interviews was secured first to ensure fluent discussions. Interviews lasted between 30 and 45 minutes. In one instance, due to time limitations, the interview was replaced with a pre arranged electronic questionnaire that contained the open questions. The individual consequently reacted to the questions in a telephonic interview.

#### **3.6.4.4 Data analysis**

Interviews were transcribed. Content analysis was done and concepts were coded by hand in terms of content that referred to the relevant constructs, that is, the elements of CS (*products, price, physical environment, personnel, processes and promotion*). The four transcripts were then analysed to identify agreement, disparity and exclusive suggestions by the different parties which could contribute to a conclusive suggestion for the way CS could be augmented to enhance informed, responsible buying decisions. An index of

suggestions made by industry, formulated in terms of the elements of CS elements was constructed (Babbie & Mouton, 2001:139).

#### **3.6.4.5 Strategies to eliminate error**

Theoretical validity was reached through a review of the available literature to define the key concepts pertaining to CS, SQ and consumers' buying decisions to guide the questions used during the interview. These concepts were thoroughly researched to ensure a proper understanding of the offering and presentation of CS and SQ, as well as problems in this regard that are unique to the context of this research and that could be regarded as relevant in emerging economies. Participants were selected carefully to ensure that they were fully informed about the service offering and the related problems in retail stores. The selection of participants was crucial to prevent deception, evasions, misinformation and misrepresentations in the research (Wallendorf & Belk, 1989:71).

### **3.7 GENERALISATION OF THE FINDINGS**

The generalisation of findings beyond the confines of this research is determined by external validity issues, such as the implementation of a carefully premeditated research design (which was done) and a research methodology that includes triangulation, that is, a combination of data collection techniques that was intentionally included in the four-phased research design.

Generalisation of the findings is, however, restricted to the context of appliance sales departments in major retail stores in an emerging economy such as South Africa. The findings cannot be related to other departments in the same retail outlets as household technology poses specific challenges that may not be associated with all types of merchandise; for example clothing which involves fit and exclusivity or foods that involve hygiene and freshness. Transferability was established by the involvement of multiple retail stores to avoid bias.

The pretence of exact replication is not offered, because any control over the research setting (especially the qualitative phases) would destroy the interaction of variables and affect the underlying philosophy of this research (Eldabi *et al.*, 2002:66; De Ruyter & Schol, 1998:12). The researcher did however attempt to exclude external intervening factors and tried to secure reliable responses as far as possible. Reliability of the research assumes the possibility of an exact repetition, which does unfortunately not fit with the scenario where human beings as a dynamic and subjectively shaped phenomenon are studied.

Findings can similarly not be related to other types of retail outlets such as specialisation stores, because a major retail outlet has to maintain a specific image and target market-related strategies that differ significantly from those of specialisation stores that only focus on specific types of merchandise and usually another target market.

The findings of this research may however disclose problem areas that could be investigated in different contexts.



## Chapter 4

# RESULTS

*This chapter presents the findings in terms of the different phases of the research and interpretations are made in accordance with the objectives of the study.*

### 4.1 DEMOGRAPHIC INFORMATION OF THE SAMPLE

#### 4.1.1 Sample

The sampling process was purposive. All customers who concluded a purchase in one of the branches of five selected retail channels in Tshwane, South Africa on the specific days of data collection were approached for participation. The different stores were situated in a radius of 30 km, including three stores in a predominant black township, i.e. Soshanguve. The selected stores therefore involved consumers from different socio-economic areas and the researcher consequently assumed that these respondents would represent the typical customer profile of those who patronize department stores for appliance purchases. All willing customers who completed the questionnaires were included in the sample.

Of the 331 questionnaires that were gathered in the various stores over a period of two months, 35 unfortunately had to be discarded because they were incomplete in terms of one or more of the sections that were essential in terms of the statistical analysis (i.e. the section on judgement of Service Quality and/or the judgement of Customer Service). A data set of 296 completed questionnaires was used for further analysis. This was considered acceptable, knowing that the SERVQUAL scale of Dabholkar *et al.*, (1996) was based on a

sample size of 227 while other studies on SQ judgement also involved less than 300 respondents.

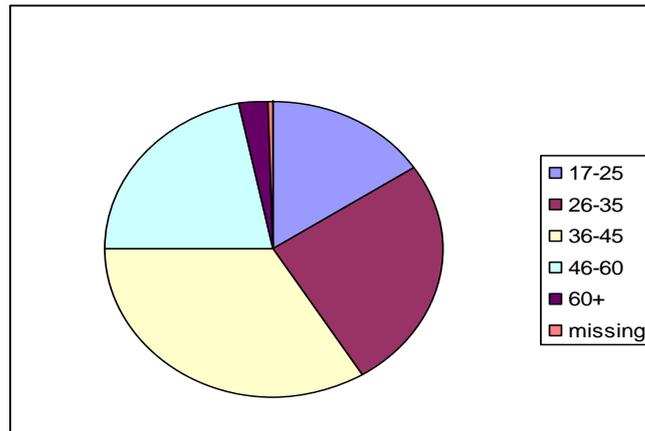
#### **4.1.2 Gender of respondents**

The sample included 201 female and 93 male customers (the original study of Dabholkar involved 227 participants of which only 27 were male). A predominant representation of female respondents may either indicate that females are more involved in the actual buying process of household appliances than men or that the decision was discussed with the spouse or partner and that the final decision in the store was left to be the responsibility of either of the partners. The number of men included was considered substantial in terms of data analysis. Involvement and participation in decision-making by couples is expected in the buying process of complex, expensive and durable products like household appliances with a relative long service life expectancy and which are used by more members of the family (Asseal, 1992:467-470; Du Plessis *et al.*, 1995:177; Hawkins *et al.*, 1995:201-203). This research however focused on the judgement of individuals that visited the store on the particular day and who were willing to share their perceptions about the service offering in the store.

#### **4.1.3 Age of respondents**

Respondents' ages varied from 17 to 72 years (Figure 4.1). The 17 to 25 year old group (n=47; 15.9%) indicated that they came to purchase appliances as a gift, or they were first time buyers for their own apartments. The 26 to 35 year old group (n=75; 25.3%) was assumed to include first time buyers as well as consumers with limited personal experience with this purchasing task (Schiffman & Kanuk, 2007:36); groups between 36 and 45 years (n=100; 33.8%) and 46 to 60 years (n=65; 22.0%) were expected to be progressively more experienced, confident and resourceful as a result of more extensive exposure to retail and to personal experience over the years, unless previous circumstances involved limited exposure and experience with appliances (Erasmus *et al.*, 2005:91). Only seven respondents (2.4%) were older than 60 years and they mainly came to the store to make replacement purchases. Two individuals (0.6%) preferred

not to disclose their age. The age distribution of the sample showed a good distribution across different age categories for the purpose of comparative statistics.



**FIGURE 4.1 AGE CATEGORIES OF RESPONDENTS**

#### **4.1.4 Respondents' personal experience with appliances**

Respondents (N=296) were grouped in terms of *personal experience with appliances in their households*, assuming that individuals with more extensive experience would be more knowledgeable about the characteristics of appliances and had the potential to be more outspoken about a store's service offering during the buying encounter: 35 respondents (11.8%) had less than two years experience; 70 (23.6%) had 3 to 8 years; 80 (27.0%) had 9 to 15 years; 62 (20.9%) had 16 to 25 years while 46 (15.5%) indicated that they had more than 25 years experience with appliances in their own households. Respondents with more than 15 years experience, (n=108; 36.4%), were expected to mostly make replacement purchases (LeBlanc, 1998:1), either because appliances have served their expected service life, or to upgrade to more sophisticated models that reflect the latest technology (Fernandez, 2001:303; Morelli, 2001:4; Weiss & Gross, 1995:2). Unfortunately consumers in lower income groups often also find it easier to replace an appliance that has broken down rather than to have appliances repaired because they can then use a credit system to afford the transaction while repairs have to be paid for in cash (Erasmus *et al.*, 2005:97).

Despite the 11.8% young, inexperienced consumers that were included in the sample, the majority were expected to have the potential to be sceptical of the customer service and to demonstrate the ability to indicate shortcomings in retail stores' service offering (John, 1999:3; McGregor, 2001:1). Consumers develop structural-, symbolic and transactional knowledge over time through consumer socialization when exposed to shopping transactions (John, 1999:13). The age distribution of respondents and the size of the sample indicated that it would be possible to deduce certain interpretations of CS and SQ in the research.

## **4.2 CONSUMERS' SATISFACTION WITH CUSTOMER SERVICE AFTER A SALES ENCOUNTER**

Customers' judgement of the service offering in the appliance departments in selected, prominent retail stores was investigated by means of two scales. Firstly the respondents rated their satisfaction with CS, i.e. a listing of tangible elements of the service offering. This scale was based on a scale designed by Marx and Erasmus (2006), which was previously used to evaluate the CS in supermarkets in Tshwane RSA. The reliability coefficients for the three elements/factors of CS that were identified through this specific scale, were 0.81; 0,80 and 0.79 respectively. By focusing on tangible elements of the service offering that were easily identifiable, it was hoped that customers would find easier to discriminate shortcomings in the service delivery

### **4.2.1 A proposed factor structure for customer service**

Apart from describing respondents' judgement of CS on the integrated level, this research aimed to elaborate on CS at the factor level, i.e. in terms of the various elements of the service offering to ultimately identify potential shortcomings. Data was thus subjected to exploratory factor analysis using squared multiple correlations and repeated rotation. Factor analysis is particularly useful in the context of measure development, as it enables an assessment of the dimensionality of multi-item scales (Diamantopoulos & Schlegelmilch, 1997:216). The six elements and the 30 items of CS contained in

the scale referred to tangible evidence of the service offering and were based on literature. Exploratory factor analysis was done to identify the relevant dimensions of the CS scale: it was preferred over confirmatory factor analysis to provide opportunity for an explication in the context of this research, not necessarily assuming that the elements/factors would be identical to those identified in a supermarket setting. Table 4.1 reveals the findings.

**TABLE 4.1: ROTATED FACTOR LOADINGS FOR THE ELEMENTS OF CUSTOMER SERVICE IDENTIFIED THROUGH FACTOR ANALYSIS (N=296)**

Attribute/ descriptor	Personnel	Processes and Value for money	Product presentation
Knowledge of salespeople	<b>0.873</b>	0.015	-0.102
Friendliness/approachability of sales people	<b>0.808</b>	-0.052	0.040
Availability of salespeople	<b>0.738</b>	0.006	0.106
Speedy handling of transactions	<b>0.646</b>	0.122	-0.058
Visual appearance/image of salespeople	<b>0.439</b>	0.075	0.209
Availability of advertised products	<b>0.361</b>	0.223	0.075
Quality control of products before dispatch	-0.034	<b>0.834</b>	-0.120
Quality of products	0.019	<b>0.788</b>	-0.021
Price structures are clearly indicated	0.017	<b>0.583</b>	0.126
Enough space to investigate appliances with ease	0.069	<b>0.539</b>	0.197
Safety of the area/ environment	0.094	<b>0.402</b>	0.150
Prices compare well to those in other stores	0.073	<b>0.361</b>	0.141
Prices in the store coincide with advertised prices	0.176	<b>0.320</b>	0.069
Presentation/displays of appliances	-0.083	-0.001	<b>0.861</b>
Ease of collection of appliances	-0.054	0.059	<b>0.717</b>
Availability of manuals for appliances	0.104	0.001	<b>0.636</b>
Indication of location of appliances in the store	0.251	0.020	<b>0.455</b>
In-store promotions or demonstration of appliances	0.148	0.264	<b>0.403</b>
Availability of new and interesting products	0.249	0.124	<b>0.401</b>
Availability of models/ brands in different price ranges	0.164	0.253	<b>0.331</b>
<b>% Variance explained</b>	<b>42.6</b>	<b>4.3</b>	<b>2.5</b>
<b>Cronbach Alpha</b>	<b>0.87</b>	<b>0.84</b>	<b>0.86</b>
<b>Mean</b>	<b>4.01</b>	<b>4.03</b>	<b>3.79</b>
<b>Standard Deviation</b>	<b>0.71</b>	<b>0.61</b>	<b>0.75</b>

Contrary to the initial scale, only three distinct elements of CS instead of six could be confirmed after exploratory factor analysis. These three elements contain six (Element 1), seven (Element 2) and seven (Element 3) attributes respectively and are presented in Table 4.1 to reveal the rotated factor loading matrices and alpha values for the three dimensional scale. The elements were labelled to reflect the coherent meaning of their respective attributes. Element 1, *Personnel*, refers to the appearance, friendliness, demonstration of product knowledge and the ability of personnel to perform transactions fast and

efficiently. The inclusion of the attribute “*availability of advertised products*” may indicate that sales personnel are held accountable. Descriptors of the element, *Processes and Value for money*, refer to price and quality related attributes such as comprehensible price structures, supply and control of product quality. Reference to a safe, spacious in store environment may indicate that value for money not necessarily excludes a pleasant environment. The third element, *Product presentation*, refers to the availability of new and interesting products/appliances in different price categories that are displayed attractively, supported with manuals, given the assurance that appliances would be available and delivered promptly.

Figures in the table are aligned to distinguish scores in terms of their relevance to the specific elements. The Cronbach Alpha coefficients for the three elements (0.87; 0.84, and 0.86 respectively) suggest acceptable levels of reliability (Internet: SPSS FAQ What does Cronbach's Alpha mean:3).

Attributes were judged on a five point Likert-type scale (5:Highly satisfied; 4:Satisfied; 3:Uncertain; 2:Somewhat satisfied; 1:Highly dissatisfied). Considering a maximum possible mean of 5.0 for each of the elements of CS, means of 4.01; 4.03 and 3.79 for the respective elements of CS suggest an above average positive judgement, i.e. that consumers were satisfied with all three elements of CS in appliance departments in retail stores. Retailers would probably find findings of the kind comforting and make an “informed” assumption that, regarding the service offering in appliance departments of retail stores, they have little to improve on. Although neither of the elements was judged *highly satisfactory*, findings for all three elements indicate consumer satisfaction.

The systems theory postulates that the elements of CS are interrelated and interdependent in terms of a consumers' judgement of CS, but the elements of CS are not necessarily all of equal importance. This is demonstrated through a reduction and reorganization of the original six elements of CS that were identified in literature (*Product, Price, Place, Personnel, Processes, Promotions*) to only three elements in the context of this research, which reflects a specific appliance category in department stores in an emerging economy. One of the original elements of CS that did not manifest clearly in the revised scale, is

*Promotions*: descriptors of this construct are in fact included as denominators of two different elements in the new scale, i.e. *Value for money* and *Product presentation*. Similarly *Price* did not manifest as an individual element, it is now offered along with descriptors that signify *Value for money*, which indicates a sense of vulnerability or price sensitivity. The fact that *Place* could also not be distinguished as a clearly defined element of CS may be ascribed to the similarity of the relevant departments of the various channels as explained in the selection of the participating stores.

Within the systems perspective, it is postulated that consumers would judge a store's service offering on the factor level, i.e. in terms of the individual elements of CS (in this research a positive judgement was concluded for all three elements of CS) as well as a judgement of CS on the integrated level where shortcomings of one element of CS can possibly be negated by positive judgements of the others or *visa versa*. In this research, all three judgements on the factor level were positive and within the same judgement range

#### **4.2.2 The relationship between specific influencing factors and consumers' satisfaction with CS**

Possible differences in consumers' judgement of CS by specific variables, i.e. *gender; years of experience with appliances and difficulty encountered during the buying process* were investigated. Analysis of variance (ANOVA) was used to investigate a possible relationship between each of the three elements of CS and the gender of respondents; years of experience with appliances as well as how easy they perceived the buying decision to be.

Findings are presented in Table 4.2.

**TABLE 4.2: THE RELATIONSHIP BETWEEN SPECIFIC FACTORS AND CUSTOMERS' SATISFACTION WITH CS (N=292)**

	Sales personnel				Processes and Value for Money				Product presentation			
	Gender				Gender				Gender			
	Mean	SD	F value	Pr>F*	Mean	SD	F value	Pr>F*	Mean	SD	F value	Pr>F*
Male (n=93)	4.05	0.77	0.24	0.62	4.04	0.69	0.17	0.68	3.89	0.80	0.16	0.69
Female (n=199)	4.01	0.66			4.02	0.57			3.75	0.72		
	Years of experience				Years of experience				Years of experience			
	Mean	SD	F value	Pr>F*	Mean	SD	F value	Pr>F*	Mean	SD	F value	Pr>F*
0 to 2 (n=35)	4.17 <sup>a</sup>	0.82	2.68	0.03	4.22 <sup>a</sup>	0.58	3.05	0.02	4.11 <sup>a</sup>	0.70	3.66	0.01
3 to 8 (n=70)	4.00 <sup>a</sup>	0.79			4.07 <sup>a</sup>	0.70			3.96 <sup>a</sup>	0.73		
9 to 15 (n=80)	4.08 <sup>a</sup>	0.64			4.04 <sup>a</sup>	0.50			3.58 <sup>b</sup>	0.76		
16 to 25 (n=69)	4.05 <sup>a</sup>	0.57			4.00 <sup>a</sup>	0.60			3.85 <sup>a</sup>	0.72		
26 + (n=38)	3.73 <sup>b</sup>	0.65			3.77 <sup>b</sup>	0.61			3.55 <sup>b</sup>	0.71		
	Difficulty of the decision				Difficulty of the decision				Difficulty of the decision			
	Mean	SD	F value	Pr>F*	Mean	SD	F value	Pr>F*	Mean	SD	F value	Pr>F*
Difficult (n=30)	3.98 <sup>a</sup>	0.58	1.71	0.18	3.91 <sup>a</sup>	0.50	1.75	0.18	3.67 <sup>a</sup>	0.55	7.61	0.00
Neutral (n=122)	3.98 <sup>a</sup>	0.65			3.98 <sup>a</sup>	0.54			3.61 <sup>a</sup>	0.72		
Easy (n=140)	4.06 <sup>a</sup>	0.76			4.09 <sup>a</sup>	0.68			3.99 <sup>b</sup>	0.77		

*Different super scripts indicate significant differences on a 5% level of significance*

No significant relationship between *gender* and respondents' judgement of any of the three dimensions of CS (Table 4.2) was confirmed.

*Years of experience with appliances in their own household* however seem to have a significant inverse relationship with consumers' judgement of CS: consumers with more than 25 years experience were significantly less satisfied with *Personnel* (Element 1) than the other groups ( $p \leq 0.05$ ). The same applied to *Processes and Value for money* (Element 2) ( $p \leq 0.02$ ). In terms of *Product presentation* (Element 3), respondents with 9 to 15 years experience as well as those with more than 25 years experience were significantly less satisfied ( $p \leq 0.01$ ). Means therefore indicate that consumers who have more extensive experience are less satisfied with all the elements of CS. This is also evident when judging means for the various age categories on face value only:

although differences in the means are not statistically significant, there is a noticeable decline in customers' satisfaction with CS as experience increases.

Respondents that indicated that it was *easy to conclude the buying decision* were significantly less satisfied with *Product presentation* (Element 3). This may indicate that consumers who are more confident, are also more sceptical and expect more in terms of how appliances are displayed and presented in the store. This is particularly noteworthy because any improvement in this regard would inevitably also benefit other consumers who not necessarily realize what they are missing out on. Respondents were also requested to indicate how easy/ difficult they thought it was to conclude a buying decision in a single item question on a 5-point Smiley scale (1: Very difficult to 5: Very easy). Only 10.5% (n=31) indicated that it was *Difficult to Very difficult* to buy the appliances. Almost half of the respondents (n=141; 47.8%) declared that it was *Easy to Very easy* to make the buying decision. The hesitance of 123 respondents (48.2%) who were indifferent, i.e. could not decide whether it was an easy or difficult task, could not unequivocally indicate that it was easy to conclude the task and are therefore noted in conjunction with respondents who perceived the task to be difficult. Various reasons may be offered for their hesitance to indicate whether the task was easy or not, but ultimately the service offering should have alleviated consumers' concerns. The complexity of purchasing major electrical household appliances often confuses consumers and complicates the decision making process (Du Plessis & Rousseau, 2003:82-83). Consumers do not necessarily feel capable of evaluating the characteristics of the variety of appliances that are available (Erasmus *et al.*, 2002:76; Wingo, 1996:177). Due to the relative long expected service life of these durable products and the price involved, consumers will probably experience cognitive dissonance immediately after the purchase and this could contribute to uncertainty when asked to indicate whether the task was easy or not.

#### **4.3 CONSUMERS' PERCEPTION OF THE SERVICE QUALITY OF RETAIL STORES**

An investigation of consumers' satisfaction with CS involved a judgement of retail stores' service offering in terms of tangible elements of CS, i.e. aspects

that were clearly identifiable and comprehensible. Literature however indicates that when the service offering of retail stores is investigated, it is generally done in terms of Service Quality, i.e. a SERVQUAL scale that predominantly focuses on intangible denominators that serve as an indication of how the service offering is perceived by customers. This measurement was consequently also included in the research to ascertain whether customers' judgement of SQ in terms of more intangible aspects would indeed differ when compared to a judgement of tangible evidence of CS. The notion was that a judgement of SQ might produce more favourable responses because (as suggested by Malhotra, 1994), consumers in emerging economies apparently tend to judge services differently and seem to be more tolerant and forgiving of poor service delivery.

#### **4.3.1 Verification of a SERVQUAL scale in the context of this research**

Respondents judged the SQ of the same departments in a separate section of the questionnaire according to a SERVQUAL scale (designed by Dabholkar *et al.*, 1996) that has been used extensively in SQ research in the past. Contrary to the CS scale discussed in the previous section, the elements of the SERVQUAL scale mostly refer to intangible evidence, i.e. one's perception of the service experienced in the store. According to literature, consumers in emerging economies are more tolerant of poor services. It was thus expected that this particular judgement might not clearly indicate shortcomings in the service offering. The SERVQUAL scale of Dabholkar *et al.* (1996) was preferred for inclusion in the questionnaire because of the scale's focus on environments where a mixture of services is offered. The original scale contains five dimensions. To ascertain the relevance and the reliability of the scale in the context of this research that was performed in a country that reflects a combination and representation of third world as well as more sophisticated first world characteristics, the 28 items in the scale that represent various attributes of SQ were subjected to exploratory factor analysis.

Using squared multiple correlations as initial communality estimates with direct oblimin rotation (N=296), an oblique rotation produced a factor-loading matrix that still contained several factors with high loadings on more than one factor.

These factors were removed from the factor-loading matrix, resulting in near-zero correlations between some of the remaining items. This suggested a reduction in the presumed dimensionality of the service-quality domain. As the highest loadings of a few of the remaining items were on factors to which they were not originally assigned, a reassignment of some items was considered. The deletion of certain items, the resultant reduction in the total number of factors and the reassignment of certain others necessitated the recompilation of alphas and item-to-total correlations and the re-examination of the factor structure of the reduced item pool. After this was done repeatedly, a final pool of 25 items remained, which represented only two distinct dimensions **instead** of the original five. Twelve attributes loaded high on the first construct and thirteen on the second construct. The rotated factor loading matrices and alpha values pertaining to the 25-item instrument are summarized in Table 4.3.

The collapse of the five dimensional SERVQUAL scale to two dimensions correlates with findings of other researchers such as Yap and Sweeney (2007:4) who found little support for the five-factor structure of SERVQUAL. There has also been support among other authors for two dimensions, i.e. Mels *et al.*, (1997), Harrison-Walker (2001), Gotlieb *et al.*, (1994) and Wakefield and Blodgett (1999). The dimensions are distinguished in terms of intrinsic/ interactive quality, which describes the human interaction component of service delivery. The second dimension involves extrinsic quality, which includes some tangible aspects of the service delivery. The latter is also referred to as *physical quality* (Lehtinen and Lehtinen, 1982). Various researchers agree that both dimensions play a key role in enhancing perceptions of service quality and satisfaction.

**TABLE 4.3: FACTOR LOADINGS FOR THE TWO DIMENSIONS OF SQ THAT WERE IDENTIFIED THROUGH FACTOR ANALYSIS**

Item	Dimension 1	Dimension 2
	Supportiveness	Impressiveness
Prompt attention are given to customers	<b>0.973</b>	0.156
Customers receive personal attention	<b>0.930</b>	0.115
Customers receive personal attention	<b>0.930</b>	0.115
This store keeps its promises	<b>0.823</b>	0.043
Salespeople behave courteous towards customers	<b>0.760</b>	0.097
Supplementary items create a good impression	<b>0.755</b>	0.027
Salespeople's' behaviour instil confidence	<b>0.660</b>	0.146
Transactions are dealt with correctly the first time	<b>0.653</b>	0.070
Customers trust their dealings with the store	<b>0.597</b>	0.249
Store lay out makes it easy to find appliances	<b>0.593</b>	0.168
Salespeople handle complaints themselves	<b>0.484</b>	0.273
Merchandise available when customer wants it	<b>0.381</b>	0.229
Neatly dressed salespeople	<b>0.351</b>	0.204
Salespeople have sufficient knowledge	0.074	<b>0.675</b>
Store willingly accepts returns and exchanges goods	0.040	<b>0.597</b>
Store provides convenient parking	0.128	<b>0.590</b>
Store provides error free sales transactions	0.048	<b>0.586</b>
General impression of department is visually pleasing	0.049	<b>0.584</b>
Store accepts most major credit cards	0.021	<b>0.562</b>
Operating hours of the store are convenient	0.040	<b>0.561</b>
Store lay out makes it easy to move around	0.113	<b>0.531</b>
Salespeople inform customers when services will be performed	0.003	<b>0.520</b>
General environment in the store is pleasing	0.106	<b>0.502</b>
Salespeople always willing to assist customers	0.228	<b>0.467</b>
The store offers enough credit options	0.126	<b>0.463</b>
The department gives a modern impression	0.205	<b>0.314</b>
<b>% Variance explained</b>	<b>40.0</b>	<b>4.7</b>
<b>Cronbach Alpha</b>	<b>0.93</b>	<b>0.86</b>
<b>Mean</b>	<b>3.88</b>	<b>4.08</b>
<b>Standard Deviation</b>	<b>0.8</b>	<b>0.5</b>

The content of the two dimensions were analyzed and labelled *Supportiveness* and *Impressiveness* to reflect the content/denominators of the respective scales. This conforms with previous researchers (Lehtinen and Lehtinen, 1982) who are in favour of two dimensions for SERVQUAL scales and suggest that one describes the *human interaction component* of service delivery (in this research: *Supportiveness*) while the second dimension involves *extrinsic quality* (in this research: *Impressiveness*), which includes some tangible aspects and the physical quality of the service delivery. The Cronbach Alpha coefficients were 0.93 for Dimension 1 (*Supportiveness*) and 0.86 for Dimension 2 (*Impressiveness*), which are above 0.70, which is acceptable in most Social

Science research (Internet: SPSS FAQ What does Cronbach's alpha mean: 3). The revised scale is therefore accepted as reliable and valid.

It is suggested that customers evaluate service quality in retail both at the attribute and the integrated level. The reduction of the elements of SQ from five to two indicates a less intricate/ detailed judgement in the context of this research. Contrary to the SERVQUAL scale of Dabholkar *et al.* (1996:7), no sub dimensions were distinguished.

The items included in the first dimension, *Supportiveness* all indicate a sensitivity for the human-orientated aspects of service quality – appearance of supplementary items, ease of finding appliances, salespeople keeping promises, transactions executed correctly the first time, merchandise that is available, confidence and trust in dealings with store, prompt attention from salespeople, personal attention, courteous salespeople, and the handling of complaints by the salespeople themselves. The dimension *Supportiveness* relates to four dimensions from the original scale (Dabholkar *et al.*, 1996), namely Reliability, Personal interaction, Problem solving and Policy. Items that pertain to Reliability (Dabholkar *et al.*, 1996:7) refer to a store that keeps its promises and secures correct transactions. Although *Personal interaction* represented a separate dimension that contained two sub-dimensions – confidence and courteousness in the original scale, this study could not confirm such discrimination. Aspects relevant to personal interaction were mostly integrated into the dimension *Supportiveness* along with aspects relating to *Problem solving*, which addressed handling of complaints and returns. The fourth dimension contained in the Dabholkar-scale is *Policy*, where the aspects relating to store organization, like convenient shopping hours and the availability of adequate parking (Dabholkar *et al.*, 1996:7) are contained. These relate to the second dimension in the new scale, i.e. *Impressiveness*. The items clearly reflect higher order expectations that are extrinsic in kind. Although the Dabholkar scale distinguishes the dimension *Physical aspects* in terms of two sub dimensions – appearance and convenience (Dabholkar *et al.*, 1996:6), such a sophisticated judgement could not be confirmed in this research. Aspects relating to physical structure, ambience, design of the departments were coherently grouped on the

higher end of the scale as contributing towards Dimension 2: *Impressiveness*. Literature suggests that customers value the convenience of shopping that physical aspects offer them, like enough space to move easily, convenient parking, convenient operating hours, acceptance of most major credit cards and enough credit options offered. This research indicated a clear distinction between attributes that involve basic requirements to make an informed buyer decision (Dimension 1: *Supportiveness*) and attributes that are inviting, encouraging and makes the buying experience more pleasurable (Dimension 2: *Impressiveness*).

#### **4.3.2 Consumers' perception of SQ in appliance departments in retail stores**

According to Geert Hofstede (1984:264) certain SQ determinants, namely competence, courtesy, communication and credibility correlate significantly with socio-cultural factors, i.e. the extent to which a society honours the unequal distribution of power in organizations and the loosely or tightly knit social framework in a society. High power distance and collectivism are therefore associated with low national wealth and individualism and small power distances with greater national wealth (Hofstede, 1984:264; Malhotra *et al.*, 1994:2). Customers in emerging economies apparently tend to have higher tolerance levels and lower quality expectations with regard to service delivery. They also tend to be generally satisfied with acceptable service performance and focus more on the core benefits offered by the company, than on added benefits (Malhotra *et al.*, 1994:7). It was therefore expected that customers of the selected department stores in South Africa would judge SQ positively.

Respondents' perception of the various items in the SQ scale was indicated on a five point Likert-type scale that included the options: Excellent (5); Good (4); Average/Fair (3); Poor (2); Unacceptable (1). Findings are presented in Table 4.3. The means for the two dimensions that were distinguished are 3.88 and 4.08 respectively. Considering a maximum of 5.0, the means suggest an above average positive judgement of the quality of service offered in terms of both dimensions of SQ in the stores. In the context of this research, the SQ is therefore perceived to be good, which suggests a service offering in

appliance departments in retail stores that mostly coincide with consumers' expectations, rather than the service necessarily being exceptional. Consumers generally make judgements within their expectations frameworks. A positive judgement could however merely indicate that consumers have limited expectations and that could leave the impression that retailers have little to improve on.

In order to verify customers' positive judgement of retail stores' service offering in appliance sales departments (both CS as well as SQ judgements were positive/good), the outcome of the product knowledge tests was investigated. This has not been done in another study before and it was intentionally included to confirm customers' assessment of the stores.

#### **4.4 AN EVALUATION OF CONSUMERS' PRODUCT KNOWLEDGE**

The researcher assumed that customers would, after their buying encounter, at least be acquainted with the basic functional and performance attributes of the appliances they purchased on the specific day because they had all the opportunity in the retail store to investigate product alternatives and to consult written matter and sales personnel in terms of information they required to conclude informed buying decisions.

##### **4.4.1 Consumers' product knowledge with regard to selected product categories**

Respondents were subjected to a product knowledge test that required of them to respond to statements on three appliances, i.e. the appliance that they purchased on the day of data collection, as well as two other appliances of their choice that they already owned and were familiar with. The knowledge test required responses to 10 items in every chosen product test in terms of TRUE, FALSE, UNCERTAIN denominators (See Appendix 1). Respondents' scores were calculated in terms of the correct answers out of a maximum of 10 for each appliance. It was assumed that respondents would be able to identify the correct answers relatively easily because they were only asked to respond to newly purchased appliances after closure of the sales deal (i.e. after an opportunity to acquire much needed product information in-store) as well as

two appliances they already owned and were experienced with. Knowledge of the appliances they came to purchase that day would give some indication of their pre purchase information search, i.e. ability to make an informed buyer decision. Detailed results of the knowledge tests are presented in Tables 4.4 to 4.8.

All the statements for dishwashers were answered incorrectly by more than 50% of the respondents (Table 4.4). Not knowing how the water is distributed in a dishwasher, what materials the appliances are manufactured of, why the heating elements are concealed and why salt is used, indicate pertinent shortcomings that should have been addressed in the store while investigating the display of different models and different brands in the store.

**TABLE 4.4: RESULTS OF THE KNOWLEDGE TEST FOR DISHWASHERS<sup>1</sup> (n=135)**

Statement that required TRUE/ FALSE/ UNCERTAIN responses	% Correct
Detergents for dishwashers are more alkaline than washing machine detergents	46
If stainless steel cutlery is washed in a dishwasher regularly, it will discolour.	22
The various washing programmes of a dishwasher require different amounts of detergent.	33
Fuzzy logic" indicates that a dishwasher will automatically select an appropriate washing programme based on the type of dishes.	34
The use of salt in a dishwasher is required for sterilization.	22
Longer washing programmes always use more water.	20
The capacity of a dishwasher is indicated in litres.	21
Dishwashers with a metallic exterior finish are made of stainless steel.	40
The drying elements of modern dishwashers are concealed to prevent electric shocks.	47
All dishwashers distribute water from two angles, namely from the bottom and the middle of the machine.	44
<b>Mean for the scale</b>	<b>3.29</b>
<b>Variance</b>	<b>3.47</b>
<b>Standard deviation</b>	<b>1.86</b>
<b>Cronbach Alpha</b>	<b>0.44</b>

Of the 296 respondents who participated in the research, n=99 indicated that they already owned dishwashers and n=35 indicated that they purchased dishwashers for the first time on the particular day. A total of 135 respondents completed the knowledge test for dishwashers. Consumers' responses to the statements indicate that less than 50% were aware of the high alkalinity of dishwasher detergents. Incorrect use of these strong detergents and incorrect dosages can cause tremendous damage to dishes and cutlery and contribute to consumer dissatisfaction. Almost 80% of the respondents did not know why salt is used in dishwashers, which means that the importance of salt in terms of stain free dishes is not understood. It is alarming that less than 50% of the respondents were informed about the water distribution in dishwashers and that they were uninformed about reasons for the positioning of the water spouts and the heating element. Responses indicate likelihood that the majority of owners use dishwashers incorrectly. Apart from disappointing the owners, this could ruin the reputation of the brands because consumers who are unaware of the facts would highly unlikely take the blame for poor performance upon themselves.

<sup>1</sup> Shaded areas in Tables 4.4 to 4.8 represent the correct answers.

**TABLE 4.5: RESULTS OF THE KNOWLEDGE TEST FOR FRIDGE FREEZERS (n=242)**

Statement that required TRUE/ FALSE/ UNCERTAIN responses	% Correct
The interior temperature of a household refrigerator is 8°C.	43
Frost-free fridges and freezers with dual compressors are more energy effective.	39
The energy consumption of a large chest freezer is lower than that of a microwave oven.	34
The recommended interior temperature of a household freezer is -30°C.	42
Some manufacturers treat the interior of fridges and freezers to inhibit bacterial growth.	53
Dual compressors are advised for combination fridge/freezers for better temperature control.	5
The capacity of fridges is indicated in litres.	87
Cold is contained better in a chest freezer than in an upright freezer.	48
Temperature control in frost-free refrigerators is less effective than in ordinary models.	21
Solid racks, e.g. glass shelves, in refrigerators, prevent proper cold air circulation.	26
<b>Mean for the scale</b>	<b>4.00</b>
<b>Variance</b>	<b>3.86</b>
<b>Standard deviation</b>	<b>1.97</b>
<b>Cronbach Alpha</b>	<b>0.54</b>

Of the 296 respondents who participated in the research, n=231 indicated that they already owned fridge freezers and n=17 indicated that they purchased fridge freezers for the first time on the particular day. A total of n=242 respondents completed this specific knowledge test.

Respondents were well informed about the indications of capacity, however important facts relating to temperature control, cabinet design and construction as well as very popular frost free modes were not clearly understood. Customers seem to use appliances without giving attention to details or characteristics.

**TABLE 4.6: RESULTS OF THE KNOWLEDGE TEST FOR WASHING MACHINES (n=236)**

Statement that required TRUE/ FALSE/ UNCERTAIN responses	% Correct
Front loading washing machines that use less water (less than 11 liters per kilogram of laundry) also use less electricity than top loaders.	43
Front loading washing machines use less water than top-loading machines	10
1000-1200 rpm is the minimum recommended rotation speed for washing machines.	10
Low sudsing detergent can be used for both front loaders and top loaders.	60
Top loaders are generally more environmental friendly in terms of water and energy consumption.	36
Front loading washing machines offer more wash programmes.	19
All top loaders have lint filters that need to be cleaned regularly.	8
The capacity of a washing machine is indicated in kilograms.	86
The wash cycles of top loaders are longer than those of front loaders.	31
Most front loaders need only be connected to a cold-water faucet.	11
<b>Mean for the scale</b>	<b>3.14</b>
<b>Variance</b>	<b>2.31</b>
<b>Standard deviation</b>	<b>1.52</b>
<b>Cronbach Alpha</b>	<b>0.36</b>

Of the 296 respondents who participated in the research, n=169 and n=99 respectively indicated that they already owned top loader and front loader washing machines while n=16 and n=18 respectively indicated that they purchased top loaders or front loaders for the first time on the particular day. A total of n=236 respondents completed the knowledge test, which involved questions about both types.

Findings reveal that consumers were generally ill informed about the water- and energy consumption of top loading versus front loading washing machines (10% and 36% respectively) - a pity in times where an energy crisis prevails and where concern about the environment should supersede product decisions. Very basic questions concerning the programmes of washing machines were answered incorrectly by more than two thirds of the respondents while only 11% were aware of the proper installation requirements for front loaders.

The results for microwave ovens were better, but revealed a lack of understanding of the principles of operation of these appliances. Questions relating to the energy consumption of microwave ovens, cooking time related to the wattage of the ovens, energy consumed for grilling as well as the

reflection of electromagnetic waves in the cavity were particularly problematic. Although almost two thirds of the respondents provided the correct answer, it is alarming that so many consumers are under the impression that microwaves can pass through the glass doors. Similarly the effect of the size of the oven should be clear to consumers before an oven is chosen.

**TABLE 4.7: RESULTS OF THE KNOWLEDGE TEST FOR MICROWAVE OVENS (n=248)**

Statement that required TRUE/ FALSE/ UNCERTAIN responses	% Correct
At least 5 cm space is required around a microwave oven for proper ventilation.	77
A microwave oven consumes less electricity than a stove and can easily be connected at a double adaptor.	11
When the door of a microwave oven is opened, the cooking process is interrupted.	88
A 700-watt oven can take twice as long to heat food than a 1150 watt model.	34
A turntable in a microwave oven ensures faster heating.	78
A microwave oven with a built in grill will have a higher wattage.	40
It is not safe to touch the glass door of a microwave oven while in use because microwaves can pass through glass.	63
A microwave oven can be damaged when it is switched on while it is empty.	64
The interior walls of microwave ovens are light in colour to reflect the waves better.	44
The power of the magnetron influences the cooking speed of the oven more than the size of the cooking chamber.	46
<b>Mean for the scale</b>	<b>5.46</b>
<b>Variance</b>	<b>3.84</b>
<b>Standard deviation</b>	<b>1.96</b>
<b>Cronbach Alpha</b>	<b>0.54</b>

Of the 296 respondents who participated in the research, n=224 indicated that they already owned microwave ovens while n=45 indicated that they purchased microwave ovens for the first time on the particular day. A total of n=248 respondents completed the knowledge test for this appliance.

The mean score for microwave oven was the highest when compared to the other appliances. The respondents seemed to be better informed about microwave ovens functional and performance characteristics. This may be due to the fact that the respondents use the microwave oven themselves while many of the other appliances such as the washing machines are operated by their domestic servants. Respondents seemed to be ignorant

about the mechanism and the characteristics of appliances that differentiate brands and models from one another.

**TABLE 4.8: RESULTS OF THE KNOWLEDGE TEST FOR TUMBLE DRYERS (n=114)**

Statement that required TRUE/ FALSE/ UNCERTAIN responses	% Correct
Tumble dryers are more effective when filled to full capacity.	19
Moisture sensors in tumble dryers will prevent clothes from creasing.	54
A cool down cycle in tumble dryers is important for safety reasons.	10
The accumulation of lint in the filter will increase the drying time.	54
A dryer with a timer consumes more electricity than one with a moisture sensor.	25
The air vent is situated at the back of the tumble dryer for safety reasons.	54
An air-vented dryer will dry washing faster than condenser dryers.	29
A condenser tumble-dryer should be installed near a window for proper venting.	23
Tumble dryers have different heat settings to save electricity.	46
A tumble dryer that can dry without tumbling is more versatile.	50
<b>Mean for the scale</b>	<b>3.65</b>
<b>Variance</b>	<b>3.61</b>
<b>Standard deviation</b>	<b>1.90</b>
<b>Cronbach Alpha</b>	<b>0.48</b>

Of the 296 respondents who participated in the research, n=113 indicated that they already owned tumble dryers while n=14 indicated that they purchased tumble dryers for the first time on the particular day. Only n=114 respondents completed the knowledge test for this appliance.

Findings indicate that consumers are generally ignorant about most of the basic principles of operation of a tumble dryer or installation requirements. These are facts that should be conveyed before an appliance is purchased because these will affect the use and maintenance of the appliances.

A summary of the outcome of the product tests is presented in Table 4.9.

**TABLE 4.9: SUMMARY OF THE SCORES IN THE PRODUCT KNOWLEDGE TESTS**

	Dishwasher (n=135)	Fridge/ freezer (n=242)	Washing machine (n=236)	Microwave oven (n=248)	Tumble dryer (n=114)
Mean for the scale	3.29	4.00	3.14	5.46	3.65
Variance	3.47	3.86	2.31	3.84	3.61
Standard deviation	1.86	1.97	1.52	1.96	1.90
Cronbach Alpha*	0.44	0.54	0.36	0.54	0.48
<b>Mean % correct</b>	<b>33</b>	<b>40</b>	<b>31</b>	<b>55</b>	<b>36</b>

\* Because the scores were so low, low Cronbach Alphas could not be resolved. The mean scores for the product knowledge tests (Table 4.9) were disappointingly low for all the appliances. Considering a maximum possible score of 10, the highest mean was 5.46 (microwave ovens) and the lowest was 3.29 (dishwashers). The knowledge tests only contained basic questions on the functional and performance attributes of appliances that are important in making an informed responsible buying decision. Results suggest that consumers did not possess adequate product knowledge to have made an informed buying decision despite previous experience with appliances and despite their in store encounter where they had every opportunity to obtain information they required. Although the blame could be laid upon customers who apparently not necessarily asked the relevant questions, it may be possible that customers do not know what they are supposed to know. In this regard the service offering should come to their rescue by providing “need to know” information in a non-threatening manner.

Consumers' product knowledge is a major concern in terms of their ability to make informed responsible buying decisions. Limited product knowledge can however also cloud customers' expectations regarding CS and SQ and consequently result in positive CS judgements that are not necessarily substantiated in terms of service excellence. It is concerning that customers seem to be satisfied with CS and SQ despite lack of evidence that the in store encounter enhanced their ability to make informed buying decisions. John (1999:11) explains that consumers in an emerging economy do not have sufficient structural and transactional knowledge to ensure satisfying and responsible buying decisions. These consumers generally do not have shopping scripts to rely on, and they do not have shopping skills and an understanding of the consequences of the transaction that could result in an understanding of marketplace transactions. This research proclaims that in these contexts the CS in department stores has to be augmented to significantly to provide the much needed assistance for the consumers. The responsibility can however not simply be reverted to the salespeople in terms of their effort and customer approach. Findings of research by Makgopa, Kachale and Erasmus in Tshwane, RSA in 2004 (Erasmus *et al.*, 2005:95) indicate that consumers do not

rely on salespeople for information, but prefer to trust brand names, guarantees and a retailer's reputation. The outcome of the product knowledge test confirms the need for change in CS in retail despite customers' positive judgements of CS and consequently, also SQ.

#### **4.4.2 Consumers' product knowledge related to specific variables**

Consumers' product knowledge was investigated in terms of a possible relationship with specific variables, i.e. *gender; years of experience with appliances* as well as *ease of choosing and buying major household appliances*. This investigation aimed to determine whether certain variables have a converse affect on consumers' product knowledge. It was for example anticipated that consumers with more product related experience would possess more product knowledge and that experience would thus be more conducive for informed responsible buying decisions. Findings that reveal means and standard deviations are shown in Tables 4.10 to 4.12.

##### **4.4.2.1 The relationship between gender and product knowledge**

ANOVA was done to investigate possible relationships between certain demographic variables and consumers' product knowledge. No significant relationship between gender and consumers' product knowledge (Table 4.10) could be confirmed for any one of the appliances ( $p < 0.05$ ). Despite a notion that men, who are generally more interested in technology (Lavin, 1993; Lee & Beatty, 2002) and that they would obtain significantly higher scores due to greater interest in performance and functional attributes of object, results could not confirm this presumption.

##### **4.4.2.2 The relationship between product related experience and product knowledge**

On face value, the mean scores for the product knowledge tests for consumers in the highest experience category (more than 25 years experience) are higher for all of the appliances except for dishwashers. Although prolonged use of appliances apparently resulted in higher scores, the scores are too low to confirm an understanding of the functional and performance characteristics of appliances.

**TABLE 4.10: THE RELATIONSHIP BETWEEN GENDER AND CONSUMERS' PRODUCT KNOWLEDGE**

Variable	DISHWASHER			FRIDGE/FREEZER			WASHING MACHINE			MICROWAVE OVEN			TUMBLE DRYER		
	N	Mean	SD	N	Mean	SD	N	Mean	SD	N	Mean	SD	N	Mean	SD
Male	47	2.19	1.34	81	3.95	1.75	68	2.23	0.97	76	4.89	1.97	39	2.58	1.98
Female	87	2.28	1.62	158	3.60	1.85	163	2.25	0.92	166	4.62	1.88	74	2.89	1.68
Total	134			239			231			242			113		

**TABLE 4.11: THE RELATIONSHIP BETWEEN PRODUCT EXPERIENCE AND CONSUMERS' PRODUCT KNOWLEDGE**

Variable (years)	DISHWASHER			FRIDGE/FREEZER			WASHING MACHINE			MICROWAVE OVEN			TUMBLE DRYER		
	N	Mean	SD	N	Mean	SD	N	Mean	SD	N	Mean	SD	N	Mean	SD
0-2	19	2.21	1.58	32	3.59	1.81	24	1.66 <sup>a</sup>	1.04	28	4.85	2.25	13	2.46	2.22
3-8	36	2.70	1.75	55	3.54	2.09	52	2.01 <sup>ab</sup>	0.91	59	4.59	2.00	28	2.32	1.86
9-15	26	2.15	1.31	69	3.50	1.63	68	2.38 <sup>bc</sup>	0.75	73	4.57	1.67	22	3.04	1.64
16-25	33	1.87	1.47	56	3.89	1.74	61	2.36 <sup>c</sup>	0.98	53	4.50	2.01	29	2.86	1.80
26+	20	2.10	1.20	27	4.44	1.80	26	2.65 <sup>c</sup>	0.89	29	5.51	1.66	21	3.23	1.48
Total	134			239			231			242			113		

**TABLE 4.12: THE RELATIONSHIP BETWEEN EASE OF DECISION MAKING AND CONSUMERS' PRODUCT KNOWLEDGE**

Variable	DISHWASHER			FRIDGE/FREEZER			WASHING MACHINE			MICROWAVE OVEN			TUMBLE DRYER		
	N	Mean	SD	N	Mean	SD	N	Mean	SD	N	Mean	SD	N	Mean	SD
Difficult	15	1.66	1.54	25	3.12	1.61	19	2.42	0.83	23	4.43	1.67	8	2.00	1.51
Average	49	2.02	1.28	100	3.47	1.57	100	2.30	0.85	108	4.42	1.78	37	2.72	1.83
Easy	70	2.54	1.63	114	4.07	2.00	112	2.17	1.01	111	5.04	2.03	68	2.91	1.79
	134			239			231			242					

#### **4.4.2.3 The relationship between difficulty experienced and product knowledge**

It was anticipated that consumers who indicated that the buying task was easy to perform, would obtain higher scores in the product knowledge tests and that improvement in the service offering would probably be more focused on consumers who lacked the confidence and experience. For all of the major appliances but washing machines, mean scores increased progressively with perceived ease of decision-making, i.e. the easier consumers perceived the decision making procedure to be, the higher the mean scores for the product knowledge test. However, mean score were below average and not indicative of an ability to make informed buying decisions even for consumers' who indicated that the task was easy to perform. Interestingly, the exact opposite occurred in only one product category, i.e. washing machines: the easier consumers indicated decision-making to be, the lower the mean scores. In addition, of all the consumers who indicated that buying the appliances was easy to very easy, the mean score for washing machines was the lowest. In this particular product category, top loading as well as front-loading washing machines was covered because one would assume that a consumer who buys either of the two, would know why that type is preferred. Consumers who indicated that it was easy to buy dishwashers could not convince that it was due to relevant product knowledge: the mean score of 2.54 out of a maximum of 10 suggests that they "probably do not know what they do not know". The same can be said for respondents who indicated that it easy to buy the other appliances: the highest score (5.04) for microwave ovens does not reflect confidence in terms of an ability to conclude an informed buying decision. These responses confirmed a necessity to augment customer service despite positive CS and SQ judgements.

Findings revealed that consumers who experienced difficulty to make buying decisions and who scored poorly in the product knowledge tests, nevertheless indicated that they were satisfied with the CS. This suggests that consumers in the context of this research probably do not have high expectations of the CS and/or are hesitant to indicate that they are not satisfied with the service, i.e. more tolerant to

their own detriment. The element of CS that was scored the lowest was *Product presentation*. This clearly indicates a specific dimension of the service that should be attended to in terms of visible, tangible evidence, i.e. display of appliances; availability of manuals to use during investigations; availability of new and interesting products in different price ranges.

#### **4.5 AN IN STORE SURVEY TO INVESTIGATE EVIDENCE OF THE SERVICE OFFERING**

Tangible evidence of the stores' service offering was investigated through a survey (Appendix 2) that involved a checklist that was completed by the researcher on instruction of the store manager or a selected senior representative of the store during a joint investigation of the stores' in store surroundings.

##### **4.5.1 Stores' presentation of specific indicators of the various elements of CS**

A checklist was used to judge the visual presence of attributes of the six elements of CS (i.e. *products, price, physical environment, personnel, processes, promotions*) in five selected stores based on a conceptualization through literature (Babbie & Mouton, 2001:232; Eldabi *et al.*, 2002:66). The conceptualization of CS was done in terms of the original six elements of CS and does not refer to the redefinition of CS in terms of three elements as was found and discussed earlier because this in store visual survey was done as an introductory phase of the research to encourage participation by the stores and to demonstrate that the research would be executed in a non threatening manner. The findings can however be interpreted in terms of the three elements of CS in the discussion of the research.

Nominal measures were used (YES, NO) and the scores are based on scores given by store managers or representatives of the store themselves without intervention of the researcher other than to explain the constructs if necessary. Scores for each element was eventually calculated in terms of a sum of the respective attributes. Responses were then used to rank the attributes in descending order in terms of the apparent

attention given to those aspects by the store. Findings are presented in Table 4.13 and attributes are listed in descending order with regard to the total score over five stores.

**TABLE 4.13: THE OVERALL VISUAL PRESENTATION OF THE ELEMENTS OF CS IN THE VARIOUS STORES**

ELEMENTS OF CS	Store 1	Store 2	Store 3	Store 4	Store 5
<b>Maximum possible total score</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
Physical environment	26	18	26	20	30
Personnel	21	19	23	24	30
Price	20	20	20	24	27
Products	20	19	22	19	29
Processes	19	17	22	20	28
Promotions	13	14	11	21	30
<b>Total for the store!</b>	<b>119</b>	<b>107</b>	<b>124</b>	<b>128</b>	<b>174</b>

Key to the interpretation of individual elements of CS

25-30	Excellent	20-24	Good	15-19	Average	14 or lower	Poor
-------	-----------	-------	------	-------	---------	-------------	------

Key to the interpretation of the integrated scores for the various stores (top score 180)<sup>1</sup>

150+	Excellent	120-149	Good	90-119	Average	89 or lower	Poor
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Although the researcher never intended to compare the different stores, Table 4.13 shows clearly that the various stores attend to certain elements more meticulously than others. Similarly certain elements seem to be neglected/\_overseen in certain stores

#### 4.5.1.1 Scores that pertained to the six elements of CS across the five stores (top score 180)<sup>2</sup>

When the six individual scores for the respective elements of CS were totalled, only one of the stores (Table 4.13: store 5) obtained a score that signified an *Excellent* presentation of the elements of CS. Two of the stores' totals can be interpreted as *Good*, while two stores only managed to obtain *Average* scores.

The specific element of CS that contributed to overall lower total for three of the stores (stores 1,2,3) was *Promotions*. This element does however not necessarily contribute to informed buying behaviour. Neglect in this regard may thus not necessarily impact on consumer decisions negatively. Of greater concern are lower scores for the elements *Products* and *Processes* that were also judged less favourable for three of the stores (stores 2 and 4 respectively; stores 1 and 2 respectively). These two elements are of particular importance in terms of exposure to goods in the store and assistance to consumers during and after the in store encounter.

In one of the five stores, five of the six elements of CS, i.e. *Personnel*; *Physical environment*; *Products* and *Processes* as well as *Promotions* were judged *Average to Poor*, which reflects a situation that is not conducive for optimal service delivery and where informed buying decisions would probably not be encouraged.

The negative assessment of *Promotions* for store 3 was negated by positive judgements of the other elements of CS: despite that one low score, the overall score of the store was *Good*.

The one store that was judged *Average to Poor* on five of the six elements apparently focuses on price (highly competitive prices, i.e. generally cheaper). In this particular store the management admitted to a lack of evidence of excellence in terms of five of the six elements of CS. In this particular store, price seems to be the principal concern of the store. However, when compared to the other stores, it becomes evident that all the other stores obtained *Good to Excellent* ratings for the same element and that this store's emphasis on price does not necessarily provide a competitive advantage in the market. The element *Promotions* was rated very negatively for three of the stores (stores 1,2,3). Of greater concern is admittance by two of the stores that the element *Processes* and related attributes that involve concern about after sales service and the availability of information and in store guidance, only obtained an *Average* score. Only one of the stores' score for this

element was optimal, which suggests a focused effort to improve this element of CS to the benefit of consumers in general.

Only one of the stores (store 5) obtained a score that signify an *Excellent* CS offering across all elements of CS while two of the stores could not confirm an *Excellent* score for themselves on any one of the elements of CS.

Despite consumers' positive judgement of CS in the appliance departments of retail stores, the same could not be concluded from retail's own judgement.

**4.5.1.2 Scores that pertained to the focus on specific elements of CS across the five stores (top score 150)<sup>2</sup>**

**TABLE 4.14: THE VISUAL PRESENTATION OF THE INDIVIDUAL ELEMENTS OF CS IN THE STORES**

ELEMENTS OF CS	Store 1	Store 2	Store 3	Store 4	Store 5	Total score <sup>2</sup>
<b>Maximum possible total score</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>150</b>
Physical environment	26	18	26	20	30	120
Personnel	21	19	23	24	30	117
Price	20	20	20	24	27	111
Products	20	19	22	19	29	109
Processes	19	17	22	20	28	106
Promotions	13	14	11	21	30	89

Key to the interpretation of individual elements of CS

25-30	Excellent	20-24	Good	15-19	Average	14 or lower	Poor
-------	-----------	-------	------	-------	---------	-------------	------

Key to the interpretation of scores across the elements of CS (top score 150)<sup>2</sup>

120+	Excellent	90-119	Good	60-89	Average	59 or lower	Poor
------	-----------	--------	------	-------	---------	-------------	------

The one element of CS that is apparently given the most attention by retail stores, is *Physical environment*. Three of the stores performed *Excellently* with regard to the *Physical environment*, which is commendable and could contribute to a pleasurable in store experience. One of the five stores only obtained an *Average* score in this

regard and apparently tries to lure consumers through good pricing structures. However, all of the other stores' scores with regard to pricing were equivalent or higher, which suggests that they do not have enough to offer them to draw consumers to their stores. In addition, this store's score for *Physical environment* and *Personnel*, which are significant in terms of consumers' potential to conclude informed buying decisions, seemed *Average*.

*Personnel, Price, Products* and *Processes* were judged as being *Good*.

The element that is apparently neglected most, is *Promotions*. Although this element of CS could be beneficial for retailers, in store promotions could also have educational value and could attract attention and indirectly enhance informed responsible buying decisions.

#### **4.6 SALES PEOPLE'S SUGGESTIONS FOR AUGMENTED CUSTOMER SERVICE IN DEPARTMENT STORES**

Eighteen salespeople from five different stores participated in the qualitative exercise that involved the completion of a projective technique in written format. Their reports were analyzed by means of AtlasTi computer software with the intention to identify any direct or subtle reference to the elements of CS in their recommendations for augmented CS and to identify and link relevant attributes of the elements of CS into coherent configurations (Babbie & Mouton, 2001:491). The original elements of CS (products, price, physical environment, personnel, processes and promotion) were used as the primary concepts to which the data was coded. Systematic coding of the transcribed text was done considering the frequency of the attributes of different elements of CS that were mentioned as being relevant from the participants' point of view (Babbie & Mouton, 1998:191; Northcut & McCoy, 2004:xxiii).

Secondary descriptors (attributes) of each element were associated for only five of the six elements of CS from participants' written recommendations. A summary of the

concepts that were identified as crucial in terms of Augmented CS that would enhance informed buying decisions, are presented in Table 4.15. Concepts are presented in terms of the elements of CS and attributes are arranged in descending order to indicate their prominence in terms of augmented CS.

**TABLE 4.15: PERSONNELS' REFERRAL TO ELEMENTS OF CS IN THE PROJECTIVE TECHNIQUE (N=18)**

Elements of CS identified in terms of primary concepts	Attributes mentioned, i.e. secondary reference to the elements of CS	Frequency (n)*	Total
<b>Personnel</b>	Attitude of salespeople	44	121
	Availability of salespeople	20	
	Competence to handle transactions	17	
	Knowledgeable well trained personnel	16	
	Training applied	10	
	Motivated to assist customers	9	
	Clear job description	5	
<b>Processes</b>	Redressing done	8	37
	Transactions handled to satisfy customers	7	
	Extra services done, e.g. installation	6	
	Delivery possible	4	
	Guarantee available	1	
<b>Products</b>	Availability of products	14	18
	Quality of products	3	
	Variety of products offered	1	
<b>Price</b>	Correct prices on items	7	11
	All prices displayed	4	
<b>Physical environment</b>		7	7
<b>Promotion</b>	Availability of stock	6	6

Frequency\*: Exceeds N=18 whenever individuals mentioned particular aspects more than once

Table 4.15 reveals that salespeople referred to their own contribution in terms of augmented CS more frequently than any other element of CS. Thereafter attributes that are associated with peace of mind, i.e. the element Processes were indicated frequently. A total of 121 references were made to personnel and 37 references were made to processes. This coincides with consumers' apparent regard for the human aspect of CS as postulated by Malhotra *et al.* (1994:3-5) and which was confirmed in this research through one of the two newly identified elements of CS (i.e. Supportiveness).

A personal trait, i.e. attitude, was mentioned as the single most prominent factor in terms of the enhancement of CS in the departments. Considering a sample of 18

participants, it is clear that attitude was referred to more than once by some of the participants in their recommendations. Availability of salespeople to attend to customers' needs as well as competence and personnel's knowledge were mentioned by all or almost all of the participants. Training however probably also implies competence and knowledge, which accentuates the ability of sales people to assist customers as a prominent factor. In terms of personnel, which was singled out as the most prominent factor in the enhancement of CS, participants thus indicated that stores should employ (and deploy) enough sales assistants in the store who have a positive attitude and who are competent. Mention of a clear job description by a few, probably indicates that sales personnel are expected to do a variety of tasks that may be counterproductive, confusing, frustrating or may interfere with what salespeople perceive to be their main responsibilities and that these should be clarified.

Another element of CS that was indicated prominently (26 references), is Processes. In this exercise, participants mentioned aspects that relate to peace of mind and minimal frustration, i.e. the need for redress, error free transactions, assistance with delivery, installation. Although the offering of guarantees was mentioned once only, opportunity for redress may suggest the same. Guarantees could however also be regarded as the responsibility of industry and to a lesser extent, the concern of the store.

Products were referred to in terms of three concepts of which the availability of products was mentioned more frequently than quality. This may indicate a supply-demand concern, which not necessarily addresses augmented CS because, as was clearly indicated through the product knowledge tests, consumers not necessarily know what they are supposed to know about their intended purchases. This seems to be an area of concern. From a consumer facilitation point of view, one would have expected sales personnel to indicate greater concern about the quality of appliances in terms of augmented CS.

Eleven references to price confirm that not all of the participants mentioned this element as significant in terms of augmented CS. Salespeople apparently therefore do not necessarily regard price highly in terms of their perception of an enhanced CS offering. Those who mentioned price in their written proposals indicated that prices should be displayed visibly and correctly. This suggests efforts to reduce frustration and to inform customers properly rather than a focus on affordability. The survey amongst store managers revealed that price was scored fairly positively and that the scores for this element of CS were comparable for all of the participating stores. When making their suggestions for augmented CS, the salespeople may thus have been under the impression that prices are competitive any way, which explains why no mention was made of affordability in the projective technique.

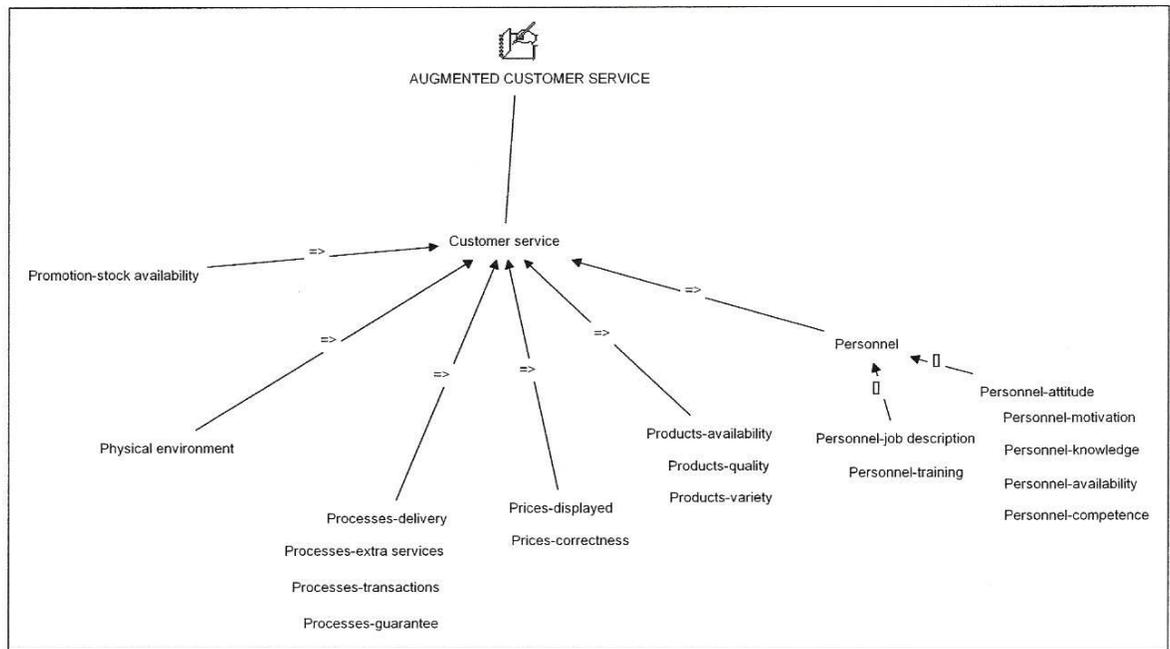
Limited reference to the physical environment may indicate that personnel are blasé in this regard and have not necessarily thought that the environment in a department store could be improved to be more conducive for informed, responsible buying decisions. On the other hand, no further explication of how the physical environment could be improved/ changed may be attributed to the fact that the physical surrounding in the stores were generally regarded fairly satisfactory in terms of what is offered in department stores. A previous investigation of the elements of CS by managers of the stores through an in store survey revealed that this specific element of CS is apparently attended to better than any of the other elements of CS (see Table 4.14). Participants therefore probably did not consider physical facilities as non-conducive for optimal service delivery.

Salespeople mentioned promotions least often as a contributing factor towards augmented CS. Similarly, this element of CS seemed to be the most neglected element of CS (see Table 4.14). The potential contribution of promotion towards informed buying decisions may thus not be understood or highly regarded.

Figure 4.2 represents the configuration of the elements of CS as suggested through the projective technique according to the AtlasTi programme. The elements of CS that were specified by salespeople as important considerations in terms of

augmented CS are indicated with the descriptors that were identified spontaneously. Only the signifiers of the first order elements of CS that were prominently mentioned in participants' reports are consequently included.

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**FIGURE 4.2: A SCHEMATIC PRESENTATION OF SALESPeOPLE'S SUGGESTIONS FOR AUGMENTED CUSTOMER SERVICE**

### 4.7 INDUSTRY'S VIEW ON AUGMENTED CUSTOMER SERVICE

Industry's view on augmented customer service is presented in terms of a summary of the discussions:

How often does a representative of your company visit department stores that sell your merchandise? What is the main objective of these visits?

All agreed that stores are serviced in terms of regions. Regional managers attend to the needs of the various stores and this is generally based on orders, sales and

possible problems that may occur from time to time. The availability of stock, sales and promotions are main topics of discussions during these visits. Sales representatives visit the various stores and report back to regional managers. The primary objective of these visits is to attend to orders and sales and special needs of stores, which mainly evolves around stock, pricing.

- ❑ Which aspects of customer service in retail stores are important to the industry?  
Please prioritize and motivate.

Industry apparently has little control over the retail environment itself because that is regarded as the domain of the retail stores. There is little interference from industry except for attention to the display and sales of their own brands. They are also concerned about complaints and will attend to these matters in conjunction with retail.

- ❑ What influence does the industry have with regard to the potential to enhance informed consumer decision-making in the stores considering the complexity of the decisions when household appliances are involved?

The spokespersons explained that the appointment of personnel and the modus operandi of stores are managed by the stores through their own codes of conduct. Stores are responsible for the appointment of personnel, their remuneration and job related conditions.

- ❑ What is industry's (your) contribution in terms of the training of salespeople?

Industry does offer opportunities for training that mainly evolves around their own products and brands to ascertain that their products are boosted. Incentives are paid for sales. Although this practice may create tension and confusion amongst colleagues, it is difficult to terminate because "all the brand leaders do it and personnel depend on the extra income".

- Are you aware of specific problems in retail that may be to the detriment of optimal customer service and that may inhibit informed consumer decision-making? What would you recommend to improve the situation?

All agreed that salespeople have a major responsibility to boost sales and that efforts to facilitate informed, responsible buying decisions may be time consuming and may be in conflict with incentives that may be earned through the promotion of specific brands. It became clear that competition amongst leading brands to win over the support of sales personnel creates conditions that are not necessarily to the benefit of consumers who need objective assistance in the store. No constructive ideas to amend the situation came to the fore. All agreed that the incentives are highly appreciated by sales people and that their basic salaries are too low to ignore these bonuses. Because incentives enhance sales, retail is not necessarily willing to put this to a halt.

- What changes would you propose for the retail environment to enhance informed, responsible buying decisions, especially of inexperienced previously disadvantaged consumers?

All confirmed the important contribution of well-trained sales people. The use of printed matter such as brochures remains a concern because good quality brochures are expensive and are not necessarily used optimally by consumers. Reading the brochures is time consuming and it may be too difficult to understand if consumers' education levels are low or if they do not have prior experience with similar appliances. All these brochures contain technical information that may be too complex to comprehend unless it is explained to consumers, for example noise levels, water consumption: e.g. inexperienced consumers would have no idea whether 56db represent a noisy dishwasher or not.

## **4.8 SUMMARY OF THE FINDINGS**

### **4.8.1 Introduction**

The service offering in appliance sales departments in prominent retail stores in Tshwane, RSA was evaluated in stages:

Customers' judgement of the service offering in the appliance departments in selected, prominent retail stores was investigated by means of two scales, a judgement of tangible elements of CS based on the elements of the marketing mix, as well as a SERVQUAL scale that has a stronger focus on intangibles. Consumers' judgement of the service offering was thereafter verified in terms of their product knowledge, i.e. their knowledge of the functional and performance attributes of appliances immediately after their purchases as an indication of whether they had made informed buying decisions.

The service offering in appliance sales departments was also judged through an in store survey that involved managers of the various stores, and through a projective technique whereby salespeople who interacted with customers on a regular basis made recommendations in terms of how CS could be augmented to enhance informed buying decisions.

Representatives of industry expressed their views on the customer service in department stores and commented on possible ways to augment the service offering to enhance informed responsible buying decisions.

### **4.8.2 Customers' satisfaction with the service offering based on tangible evidence of the service offering**

The respondents (N=296) rated their satisfaction with CS, by means of a scale that contained a list of tangible elements of the service offering. In the context of this research only three pertinent elements of CS were identified when the initial scale was

subjected to exploratory factor analysis, i.e. *Personnel* (Element 1) *Processes and Value for money* (Element 2); *Product presentation* (Element 3). Analysis of variance (ANOVA) was used to investigate a possible relationship between each of these elements of CS and the *gender of respondents*; *years of experience with appliances* as well as *how easy consumers perceived the buying decision to be*. Although the means indicated above average satisfaction for all three newly identified elements of CS irrespective of the variables considered, findings revealed that consumers who have more extensive experience with appliances (15 years and more) are significantly less satisfied with all the elements of CS. Respondents, who perceived the decision-making process to be easy, were more satisfied with every one of the three elements of customer service identified. Although the scores indicate some room for improvement, consumers were generally satisfied with the CS. ANOVA also indicated that consumers who indicated that the task was easy were significantly more satisfied than their counterpart with the element *Product presentation*.

#### **4.8.3 Customers' perception of the service quality in appliance sales departments in retail stores**

A SERVQUAL scale was used to investigate consumers' perception of the service quality in the appliance sales departments in selected retail channels. The specific scale of Dabholkar *et al.* (1996) was preferred for its focus on retail where a mix of merchandise is offered. Minor changes in the wording of the scale secured association with the context of the research. The SERVQUAL measurement was consequently also included in the research to ascertain whether customers' judgement of SQ in terms of more intangible aspects would coincide with a judgement of tangible evidence of CS because extant literature suggest that consumers in third world economies are inclined to judge customer service differently and tend to be more tolerant of poor service delivery. Respondents' perception was quantified in terms of a judgement of 28 items on a five point Likert-type scale. It was anticipated that the SERVQUAL scale would produce more favourable judgements because of the intangibility of the denominators.

Findings revealed a reduction of the five elements of SQ to two, which suggests a less intricate/ detailed judgement of the service offering in the context of this research. This research could not support a five dimensional scale. Instead, the findings revealed a clear distinction between attributes that involve basic requirements to make an informed buying decision (Dimension 1: *Supportiveness*) and attributes that are inviting, encouraging and makes the buying experience more pleasurable (Dimension 2: *Impressiveness*). Means suggest an above average positive judgement of the quality of service offered in terms of both dimensions of SQ in the stores. In terms of consumers' judgement of SQ, those who thought that the buying process was easy, were significantly more positive about the element *Impressiveness* than consumers who were either indifferent or admitted that they experienced difficulty to make a buying decision. No significant relationship was found between consumers' perception of how easy it was to conclude the buying decision and their judgement of the *Supportiveness* of the sales environment: on face value, means were however lower for consumers who thought that the task was easy, which indicates that something is amiss. In the context of this research, the SQ is therefore perceived to be good, which suggests a service offering in appliance departments in retail stores that mostly coincide with consumers' expectations. Consumers generally make judgements within their expectations frameworks: a positive judgement could thus merely indicate limited expectations and could leave retail with the impression that they have little to improve on.

#### **4.8.4 A verification of consumers' judgement of the service offering in appliance sales departments in retail stores in terms of their product knowledge**

In order to verify customers' positive judgement of retail stores' service offering in appliance sales departments (both CS as well as SQ judgements were positive/good), consumers product knowledge were investigated immediately after closure of a sales deal. It was assumed that respondents would be able to identify the correct answers relatively easily because they were only asked to respond to newly purchased appliances after closure of the sales deal (i.e. after an opportunity to acquire much needed product information in-store) as well as another appliance they already

owned and were experienced with. The mean scores for the product knowledge tests below average to poor for all the appliances but microwave ovens where a mean of 5.4 out of a maximum of 10 was nevertheless not convincing either. Results suggest that consumers did not possess adequate product knowledge to have made an informed buying decision despite previous experience with appliances and despite their in store encounter where they had every opportunity to obtain information they required. Almost half of the respondents (n=141; 47.8%) declared that it was easy to very easy to make the buying decision. It was hence anticipated that consumers who indicated that the buying task was easy to perform, would obtain higher scores in the product knowledge tests and that improvement in the service offering would probably be more focused on consumers who lacked the confidence and experience. For all of the major appliances except for washing machines, mean scores in the product knowledge tests increased progressively with perceived ease of decision-making. The easier consumers perceived the decision making procedure to be, the higher the mean scores for the product knowledge test, however, mean scores were below average throughout and were not indicative of an ability to make informed buying decisions even for consumers' who indicated that the task was easy to perform. Findings revealed that consumers who experienced difficulty to make buying decisions and who scored poorly in the product knowledge tests nevertheless indicated that they were satisfied with the CS. This suggests that consumers in the context of this research probably do not have high expectations of the CS and/or are hesitant to indicate that they are not satisfied with the service, i.e. more tolerant to their own detriment. The element of CS that was scored the lowest, was *Product presentation*. This clearly indicates a specific dimension of the service that should be attended to in terms of visible, tangible evidence, i.e. display of appliances; availability of manuals to use during investigations; availability of new and interesting products in different price ranges.

#### **4.8.5 Store managers' judgement of tangible evidence of the service offering**

Tangible evidence of the stores' service offering was investigated through a survey that involved a checklist that was completed by the researcher on instruction of the

store manager or a selected senior representative of the store during a joint investigation of the stores' in store surroundings.

Scores for the five selected stores revealed that only one store managed to obtain an *Excellent* score across all six elements that were investigated. Elements of CS that contributed to the lower scores of the other stores were Promotions that was rated Poor for three of the stores. A concern, however, is the Average rating for Products and for Processes (which are important in terms of consumer service and informed buying behaviour) for two of the stores. One of the stores obtained Average or Poor scores for five of the six elements of CS. Findings revealed that the stores apparently attend to the Physical environment more meticulously than other elements of CS and overall, their emphasis on Price, was Good to Excellent, which means that all the stores are competitive any way. On their negative side, it may indicate a focus on price to the detriment of other elements of CS, to increase sales.

#### **4.8.6 Sales people's suggestions for augmented customer service in department stores**

Eighteen salespeople from five different stores participated in the qualitative exercise that involved the completion of a projective technique in written format. Their reports were analyzed by means of AtlasTi computer soft ware with the intention to identify any direct or subtle reference to the elements of CS in their recommendations for augmented CS and to identify and link relevant attributes of the elements of CS into coherent configurations.

Although six elements of CS came to the fore in their spontaneous reports, secondary descriptors (attributes), i.e. specifications of what need to be enhanced, were associated for only five of the six elements of CS. Salespeople referred to their own contribution in terms of augmented CS more frequently than any other element of CS. Participants indicated that stores should employ (and deploy) enough sales assistants in the store who have a positive attitude and who are competent. A personal trait, i.e. attitude of salespeople, was mentioned as the single most prominent characteristic of salespeople in terms of the enhancement of CS in the departments.

Attitude was referred to more than once by some of the participants in their recommendations. Mention of a clear job description by a few, probably indicates that sales personnel are expected to do a variety of tasks that may be counterproductive, confusing, frustrating or may interfere with what salespeople perceive to be their main responsibilities and that these should be clarified. Apart from personnel, attributes that are associated with peace of mind, i.e. the element Processes was prominent. This suggests an apparent regard for the human touch of CS similarly to an identification of Supportiveness as a prominent element of CS. In this exercise, participants also mentioned aspects that relate to peace of mind and minimal frustration, i.e. the need for redress, error free transactions, assistance with delivery, installation. Although the offering of guarantees was mentioned once only, opportunity for redress may suggest the same. Products were referred to in terms of three concepts of which the availability of products was mentioned more frequently than quality. This may indicate a supply-demand concern, which not necessarily addresses augmented CS because, as was clearly indicated through the product knowledge tests, consumers not necessarily know what they are supposed to know about their intended purchases. This seems to be an area of concern. Eleven references to price confirm that not all of the participants mentioned this element as significant in terms of augmented CS. Salespeople apparently therefore do not necessarily regard price highly in terms of their perception of an enhanced CS offering. Those who mentioned price in their written proposals indicated that prices should be displayed visibly and correctly. This suggests efforts to reduce frustration and to inform customers properly rather than a focus on affordability probably because salespeople may have been under the impression that prices are competitive any way across the stores any way. Limited reference was made to the contribution of the physical environment in terms of augmented CS. Promotions were awarded little attention in the reports of the participants. Similarly, this element of CS seemed to be the most neglected element of CS in the actual retail store settings (see Table 4.13).

#### 4.8.7 Augmented Customer Service

“Augmented” implies the improvement of the service offering. Ultimately it should also meet customers’ expectations and satisfy their needs (Anderson & Zemke, 1991:v; Goff *et al.*, 1997:171-183). Any effort to augment CS would require an identification of the shortcomings of the service offering as is and consequent measures to address those shortcomings to the benefit of all parties involved. An improvement of the service offering would inevitably be most meaningful when customers perceive the personnel as polite, caring, experienced and supportive in terms of making a responsible buying decision.

Shortcomings identified through the judgements and reports of various role players, i.e. customers, store managers, salespeople and industry will provide the parameters for suggestions on how the service offering in appliance sales departments in prominent retail channels could be improved to enhance informed, responsible buying behaviour.

Consumers scored *Product presentation*, one of the elements of CS the lowest, thereby indicating a specific dimension of the service that should be attended to in terms of visible, tangible evidence, i.e. display of appliances; availability of manuals to use during investigations; availability of new and interesting products in different price ranges. Although consumers seem to be satisfied with the customer service in the retail stores, which suggested that the presentation of the elements of customer service (marketing mix) in the retail stores is more than acceptable, the outcome of the product knowledge tests confirmed the contrary. It became clear that customers not necessarily realise how limited their product knowledge is and that, in a retail environment as is, it is unlikely that consumers would be able to make informed, responsible buying decisions.

Retail stores apparently attend to the *Physical environment* of the store meticulously than the other elements of CS. Although this contributes to a pleasurable in store experience, more experienced customers who thought that the buying decision was

easy to conclude, were less satisfied with this specific element of CS. Considering the powerful stimulus of the physical environment on consumer behaviour, stores should focus on this aspect to guide the buying decision of the consumer.

Lower scores obtained for the elements *Products* and *Processes* by three of the five stores also indicate areas of concern. Because these two elements are particularly important in terms of exposure to goods in the store and assistance to consumers during and after the in store encounter efforts to augment CS should focus on *Products* and *Processes*.

The customers, the sales people themselves, as well as the industry accentuated the importance of well-trained sales personnel. The stores apparently neglect this element of CS. Training should not only focus on educating the sales personnel about new products, but also on how personnel could contribute to a store's service offering. Superior customer service does not result from slogans or fixed guidelines. Only training, dedication and commitment by the sales people, backed by an involved management, will. The attitude and image projected by the management of retail stores will largely influence the attitude with which the sales people approach the customers. Availability of enough salespeople to attend to customers' needs, competence through better training and knowledgeability of sales personnel to guide customers when choosing expensive appliances will be important components of augmented customer service. A value-based management system may be the base for augmented customer service where the wisdom, creativity and knowledge of every employee is acknowledged in terms of the optimisation of customer service (Chopp & Paglia, 2002:1; Dubinsky, 1999:5). Although sales personnel eventually implement CS, management of retail stores must be committed to make allowances to optimise CS (Beatty *et al.*, 1996:225; Graham, 2002:3).

Industry can contribute to augmented CS by active involvement in the training of personnel. At present this training is not compulsory and is done in personnel's own time. Training therefore implies that salespeople are not at work and do not own an income during periods of training. Unfortunately sales personnel can seldom afford to

miss out on opportunity to own income because their basic salaries are not high. An alternative for the incentives paid by industry for sales must also be investigated because these incentives lead to competition amongst colleagues instead of cooperation to provide superior CS.

