

# **Gordon Institute of Business Science**

University of Pretoria

## **Research Topic**

**Homophily, relative deprivation and customer service. Do perception of sameness and group comparative identification affect service quality?**

Itumeleng Mogotsi

Student number: 25467434

Contact Details: 082 899 8132

## Table of Contents

1.	Chapter 1	5
1.1	Introduction	5
1.2	Research Motivation	6
1.3	Context	7
1.4	Relevance of the Research	8
1.5	The Business Relevance of the Research	10
1.6	Academic Relevance and Contribution	11
1.7	Research Scope	12
1.8	Research Problem Statement	13
2	Chapter 2: Literature review	14
2.1	Introduction	14
2.2	Service Quality	14
2.2.1	Introduction	14
2.2.2	Investigating Service Experience	15
2.2.3	Service Quality Through Service Dominant (S-D) Logic	17
2.2.4	Fifth Axioms of Service-Dominant Logic	18
2.3	Homophily	19
2.3.1	Introduction	19
2.3.2	Definition of Homophily	21
2.3.3	Effects of Homophily	23
2.4	Relative Deprivation	24
2.4.1	Introduction	24
2.4.2	Definition of Relative Deprivation	26
2.4.3	Egoistic versus Fraternal Relative Deprivation	29



2.4.3.1	Introduction	29
2.4.3.2	Effects of Relative Deprivation	31
2.4.4	The Effects of Homophily and Relative Deprivation in Developing Countries	31
2.4.5	Reference Group	32
2.5	Conclusion	34
3	Chapter 3: Research Questions	35
3.1	Research Questions	35
4	Chapter 4: Research Methodology	37
4.1	The Research Approach and Strategy	37
4.2	Research Design	39
4.3	Qualitative Techniques	41
4.4	Target Population and Unit of Analysis	42
4.5	Sampling Frame, Size and Sampling Technique	42
4.6	Interview Process and Data Gathering Process	43
4.7	Data Analysis Approach	44
4.8	Research Data Validity and Reliability	45
4.9	Limitation	46
5	Chapter 5: Research Findings	47
5.1	Introduction	47
5.2	Research Question One	48
5.3	Research Question Two	52
5.4	Research Question Three	56
5.5	Research Question four	60
5.6	Additional results	62
5.7	Conclusion	62
6	Chapter 6: Discussion of Results	63
6.1	Introduction	63



6.2	Relative deprivation negatively affects the quality of service offered to South Africans in the restaurant industry.	64
6.3	Relative deprivation experienced differently between customers.	67
6.4	Relative deprivation is viewed from an egoistic and not fraternal position where customers are concerned.	70
6.5	There is a difference in how different ethnic groups perceive relative deprivation and homophily.	71
6.6	Impact of the fifth Axioms	73
6.7	Conclusion	74
6.8	Further Research Insights	74
6.9	Conclusion	75
7	Chapter 7: Conclusion	76
7.1	Introduction	76
7.2	Findings Summary and Conclusion	76
7.3	Recommendation	77
7.4	Policy Makers	78
7.5	Marketers and Managers	79
7.6	Direction for Future Research	79
8	Chapter 8: references	81
9	Chapter 9: Appendix	87

## 1. Chapter 1

### 1.1 Introduction

“Your colour matters when dining out”

This was the experience of Sarita Ranchod, the Executive Director of Under the Rainbow when she wrote to City Press after dining out in Cape town (City Press, 2015). Her experience of service quality was appalling to say the least and she made a decision not to dine at certain restaurants because of the treatment she received at this particular restaurant. She was made to fill invisible and was not served while other people who happen to be Caucasian received preferential treatment, in one of Cape Town’s restaurants. Thiru, on the other hand shared his experience of dining out in Centurion and wrote about this experience on the ‘Bad Service’ website, claiming that he had been subjected to “sub-standard service with separate treatment for separate races” (Bad Service. 2017). These two examples illustrate certain instances where members of the South African public have had poor service quality while visiting restaurants in the country (Bad Service, 2017; City Press, 2015).

The purpose of this research is to explore if there are any linkages between homophily, relative deprivation and the perception of service quality offered in the South African restaurant industry. The study will use theories borrowed from the disciplines of Psychology and Sociology, to gain a better understanding of how the concepts of ‘sameness’ and relative deprivation affects the quality of service perceived to be offered at a restaurant level. The theoretical basis of this research is homophily theory and relative deprivation theory which brought into academic discourse by Lazarsfeld and Merton in 1954 and Samuel Stouffer in 1949 respectively (Kossinets & Watts, 2009; Pettigrew, 2016). The current research seeks to understand why sudden status shifts change the way that individuals or groups are treated by members of their former status group. Anecdotally, the phenomenon of homophily and relative deprivation have been the subject of heated debate on social media and other media platforms, however there are very little empirical studies that have been conducted in South Africa on the negative consequences of relative deprivation.

It is expected that employees are to treat each and every customer equally during the service provision encounter irrespective of factors such as gender, class, religious beliefs, and race.

Yet some people feel that they are not being treated the same, or that they are not even being valued in the same way when they visit business establishments, despite numerous business campaigns inviting customers to choose a certain brand over others. Besides the money spent on advertising, companies devote time to crafting positioning statements and policies that will enhance their chances of survival as a business. The survival rate of any business is significantly decreased when employees breach the policies that have been put into place and start diluting the message received by consumers about the brand. Service quality is one of the most important factors used to differentiate one business from another and this research seeks to understand if what companies say they do (i.e. value and treat all their customers equally) really happens in reality – particularly from the perspective of the people they are supposed to be catering to. Do customers really experience fair treatment when dining out, and does this affect where they will dine next time they go out? These are the questions that this study planned to investigate.

## **1.2 Research Motivation**

In today's highly competitive market environment, companies struggle to differentiate themselves from their competitors. We live in a society of rapid social change wherein there are numerous internal and external factors from which the service environment is not immune. The question then becomes how do we understand service encounters at a deeper level that incorporates a wide social and political framework? Service Dominant (S-D) Logic is moving towards this framework with the introduction of the 5<sup>th</sup> axiom “institutional arrangements”, which are about how society at large is organised and the norms and values attached to roles generated outside but pervading the market environment. However, the concept of superior service quality is a multi-dimensional and often means different things to different people (Talukder, Campus, & Anglong, 2017). A qualitative approach was sort to be the best study since it deals primarily subject of experience and individual meaning-making, and was demanded by many leading academics in the field.

Vargo and Lusch (2014) argued that competing through service is more than just adding value to the product, and by adopting a service-dominant logic approach, organisations are better able to consider themselves and the market at large (Lusch, Vargo, & O'Brien, 2007).

Given the fact that 'service quality' is highly subjective, one of the objective of the study was to understand how theories of homophily, relative deprivation helps us understand customers better in order to improve business competitiveness?

### 1.3 Context

Prior to 1994, South Africa was still under apartheid laws which advocated for the advancement of the white minority group at the expense of the majority of black people. This resulted in conditions of solidarity under oppression and greater group homogeneity in terms of class for the majority of the population, hence homophily would have been artificially increased due to shared oppression. In the post 1994 era, things changed and all the apartheid laws were abolished. South Africa then became a democratic country where everyone was said to be free. This new era meant that, opportunities were now available to the majority of people in the society (i.e. black people). The socio-economic discrimination experienced in the past influenced various dimensions of people's identities as well as their choices and the opportunities that were available to them (Currarini & Mengel, 2016). The apartheid era increased what can be termed 'within group' homophily while 'societal homophily' was promoted, as a feature of societies in general. The oppressed stuck together so did the elite at the time.

As opportunities became available for everyone in the country, previously disadvantaged groups became upwardly mobile due to increased income and their social condition and lifestyle improved as a result (Burger & Zoch, 2017; Manzi, 2007). Black people started to move into areas previously occupied by only white people. They also started to buy luxury goods such as cars, and houses. Unfortunately not all people have benefited from the post-apartheid era, and majority of South Africans still continue to live in poverty (Statistics South Africa, 2014). The result has been a differentiation in groups. Social class differences emerged within the black population and the group's homophily (which refers to sameness within a group of people) become threatened as group differences emerged along lines other than ethnicity (in terms of class for example).

Research conducted on status and happiness in the fields of Sociology and Social Psychology (Jensen & Kim, 2015;Manzi, 2007) has argued that there are negative consequences associated with positive status shifts, as a result of status deprivation and status disruption. Since the theory of homophily advocates for “sameness”, and argues that people will relate to others who share similar traits, people are therefore more likely to associate with those they view as being similar to themselves. The issue of how the concepts of homophily apply in a cosmopolitan post-apartheid South African society is one that is not yet understood. In an effort to understand this, one has to consider the theory of relative deprivation, which according to Chipp, Kleyn, and Manzi (2011, p.119) relates to “the tendency to create hierarchies that relegate groups to the bottom of social and economic ladders”.

Research on homophily and relative deprivation has been conducted in the past (Greitemeyer & Sagioglou, 2017; Jensen & Kim, 2015; Peng, Chen, & Wang, 2014; Chipp et al., 2011), but none of these previous studies have considered the impact that these concepts have on customer service and service quality. These researches were based on Western countries which made this study a unique one as it was conducted in South African. According to Sarpong and Maclean (2016), research has tended to ignore a range of frontline service staff behaviours that potentially contravene organisational policies. This is very important, since companies invest large amounts of money in improving customer service.

By understanding these theories and their impact on customer service, human resource practitioners can develop assessment batteries that test for biases with regards to homophily and relative deprivation when recruiting in order to ensure that they employ the best person for the job. This in turn will improve the organisation’s competitiveness and ensure a high level of customer service.

#### **1.4 Relevance of the Research**

This study seeks to understand if perceptions of sameness and group comparative identification affect service quality. Perceptions may affect the quality of service offered to customers based on socio-economic discrimination, and this in turn may affect the formation of social contacts (Currarini & Mengel, 2016).



Their relative deprivation impacts the reference group, as it changes from fraternal to egoistical (Manzi, 2007). Jensen and Kim (2015) explain that the impact of relative deprivation can affect the way people treat their counterparts in economic transactions.

Research conducted in the service sector has focused on a number of facets of interaction between employees and customers (Warhurst, Nickson, Witz, & Cullen, 2000). More specifically, these researches have traditionally been focused on the adequate performance of service personnel, which is said to affect customer service quality (Burin, Robberts-Lombard, & Klopper, 2016). Labour associated with the service sector requires employees to formally grant customers sovereignty according to organizational service norms (Sarpong & Maclean, 2016). Companies require employees to treat all customers equally during transactional interactions, with emphasis being placed on the maxim “The customer is always right”. However, Sarpong and Maclean (2016) highlighted that it was not uncommon to observe frontline employees contravening such expectations through verbal abuse and aggression towards customers, thereby sabotaging customer service experiences, which in turn affects the service quality and eventually the success of the company.

Most economies are built predominantly on a growing service sector (Weinstein & Mcfarlane, 2017), whose employees are often low paid. This makes the service sector vital and compels companies to take note and explore new ways of creating superior customer value, as proposed by the service-dominant (S-D) logic. Through co-creation (institutional arrangements), companies will achieve competitiveness because it is the only way to remain relevant and customers define value based on experiences, thereby pushing companies to see value in the same way (Akaka, Vargo, & Schau, 2015). This means that the quality of service offered needs to be understood from the customer’s perspective not from that of the company. This phenomenon challenges the traditional way in which businesses have operated across time, and in particular those in the service industry. It demands a new approach. It is argued that in the future, individual customers will co-create unique experiences with companies and that these unique experiences will be what will set businesses apart (Akaka et al., 2015; Ramaswamy, 2004).

Having said that, the challenge with individual customers being part of creating unique experience comes from lack of understanding of the new service-dominant logic which posit for inclusion of all stakeholders including customers. Vargo and Lusch (2016), who pioneered the concept of service-dominant logic, have been instrumental in demonstrating to researchers the importance of co-creation together with direct and indirect interactions between multiple actors in value creation (Akaka & Vargo, 2015; Vargo & Lusch, 2016; Vargo, Wieland & Akaka, 2015).

Businesses strive to have their employees offer impartial service to all customers. It is particularly important because high levels of service delivery will result in more satisfied customers and could improve brand image within the marketplace (Burin, Roberts-Lombard, & Klopper, 2016). For companies, this means improving their competitive advantage. Lee and Reade (2015) caution that evidence suggests that homophily behaviour in the workplace (particularly racial and ethnic-based homophily), has detrimental effects at an organisational level. It is important to understand this phenomenon in order to create awareness and deal with the issues that could negatively affect companies. Most of the research conducted in topic has been based in Western and European countries, where the people that are researched constitute a minority population in the country. Interestingly in South Africa people who operate within the service industry are black employees who cater to a mostly black population. This research seeks to explore whether or not, there will be a difference in the way that minority groups, in Europe and America behave in comparison to South Africans.

### **1.5 The Business Relevance of the Research**

Businesses need to innovate to stay relevant and ahead of their competitors. Yet in general, business people have only ever thought of innovation with the understanding that it involves value creation. Their understanding of value creation usually separates the business (innovators) and customers (adopters) from the market offerings (Vargo, Wieland, & Akaka, 2015). Even though this research is not about innovation concepts, different insights will inspire business people to listen to customers. More than that, it will inspire them to move towards a service-ecosystem, which Vargo et al. (2015) understanding as multiple participants creating value and innovation together.

Insights from this study will highlight the critical role that front-line staff plays in the business environment, since they are responsible for providing customers with quality service as defined by business standards.

The encounter or interaction between customers and business will likely lead to different outcomes because of past experiences and preferences, as well as potential differences between the customer and employees (Akaka & Vargo, 2015). Businesses want the experience to be memorable in a positive way because this increases their chance of being chosen. South Africa's political landscape is vastly different than of Western and European countries. Most studies in developed countries have focused on marginalised minority groups, but not other emerging markets such as Brazil and Malaysia. South Africa is a developing and previously colonised country, and what sets the current study apart from previous ones is the fact that it has been conducted in a context where the formerly marginalized are in the majority. Appelgryn and Bornman (1996) reported that prior to 1994 white South Africans showed no signs of relative deprivation, however, post 1994 signs of relative deprivation have become evident in this group. The socio-political changes that South Africa underwent and continues to experience make this research even more relevant in the current context. The context which is explained by institutional arrangements – something which the literature acknowledges but is yet to be unpacked-include for example how the economy is structured, how power functions, and what rules are normative etc.

## **1.6 Academic Relevance and Contribution**

In extending the context of service, Akaka and Vargo (2015) explained that interactions among different actors within the ecosystem are influenced by socio-historic structures, or institutional arrangements. These institutions play a guiding force for value determination (Vargo et al., 2015), and include norms, meanings, symbols, etc. However, conflict within the ecosystem is created where institutional arrangements intersects leading to a confusion in terms of the views on value and how value is derived (Akaka et al., 2015). Thus, put differently institutional arrangements influences and are influenced by the on-going quest for value creation and interaction amongst multiple actors.

Even though there is extensive research conducted on service quality, homophily theory and relative deprivation theory respectively, there have been no previous studies that have used these theories to explore and determine their impact on service quality from an institution arrangement point of view within the restaurant business.

It has previously been suggested in the literature that “there is not a full and adequate understanding of the concept of service and its role in exchange and competition” (Lusch et al., 2007, p .5). This means that more research on the subject needs to be conducted and it is the purpose of this study to add to existing knowledge of both concepts. This will be done by studying the impact of homophily and relative deprivation on perceptions of service quality in South Africa.

This study builds on work by Vargo and Lusch (2008a; 2008b; & 2016) regarding the service dominant (S-D) logic, and will draw on an array of disciplines to expand on this phenomenon. Since its inception in 2004; service dominant logic has been modified (Akaka & Vargo, 2015; Vargo & Lusch, 2017), consolidated from ten axioms to four (Vargo & Lusch, 2016), and it is envisaged that it will continue to evolve over the next decade to develop a general theory of market and value creation (Vargo & Lusch, 2017). This research seeks to explore the concepts of sameness and relative deprivation and their effect on service quality amidst the notion in service dominant logic that the customer is an ‘operant resource’- one that is capable of acting on other resources (Shaw, Bailey, & Williams, 2011). The study also seeks to explore the 5<sup>th</sup> axiom which are important as it is about societal arrangements and how that affect service quality and choice of restaurant. This in turn will expand on existing knowledge in the field of social science, but more directly on the framework of service-dominant logic.

## **1.7 Research Scope**

The scope of this research is limited to establishing the perception of sameness (homophily) and group comparative identification and their effect on service quality within the restaurant industry in South Africa. This exploratory research involves extensive discussions with customers that frequent restaurant businesses in South Africa.

The research aims to investigate if homophily and the existence of relative deprivation amongst the target group is linked to the choices people make about where to dine out when choosing a restaurant. It further seeks to understand, if there is a link between the two theories mentioned, and perceptions of service quality offered at restaurants.

The research will explore possible reasons why people chose certain restaurants over others, and what consumers consider important when choosing a place to dine. The research does not look at the theory of homophily and the theory of relative deprivation separately but rather investigates whether these two theories can be used to explain the choices consumers make when choosing restaurant.

### **1.8 Research Problem Statement**

In order to be considered successful, the research needs to prove/disprove the persistence of homophily and relative deprivation. It also needs to explain the two theories' ability/inability to affect the service quality offered at restaurants. A definition of quality service will be provided from the customers' perspective, purely because it is personal and individualistic in nature. Thus, the research aims to identify the link between **homophily, relative deprivation and customer service and explore if perceptions of sameness and group comparative identification affect service quality.**

## **2 Chapter 2: Literature review**

### **2.1 Introduction**

This study explored the impact that homophily and relative deprivation have on service quality. The literature reviewed in this section will provide detailed definitions of both homophily theory and relative deprivation theory, as understood from the disciplines of Psychology and Sociology. This chapter will begin by defining service quality from an institutional arrangement point of view focusing on value creation as determined by Vargo and Lusch (2004) in their article on service dominant logic. The chapter will then define the theory of homophily and types of homophily. It will also explore the term 'relative deprivation' and its origin within the field of Social Psychology. The chapter will then proceed by looking at different types of relative deprivation in order to understand the implications of this theory.

Since both theories refer to social networks and reference groups, these two concepts will be explored next; before moving on to discuss homophily and relative deprivation in developed countries and their effects on these countries. Finally, the chapter will conclude by offering an argument of why this study will benefit South African businesses and developing nations especially those in the African continent.

### **2.2 Service Quality**

#### **2.2.1 Introduction**

The theory reviewed in this section defines service quality as understood from the framework of Vargo and Lusch (2008a). It explores service dominant logic and how this new phenomenon challenges the current thinking about service quality and service experience and delves into the definition of value and value creation. Service quality is the overall difference between a customer's perceptions and expectations of service and the service that is experienced in reality (Cheng, Tsai, & Lin, 2015) i.e. real versus imagined service. These expectations are created by companies through their communication strategies and also includes the promises made by companies to customers (Tripathi & Dave, 2016). Understanding of service quality will help unpack the constructs of homophily and relative deprivation and help us gain insights and aid in how we think about service quality and service experience.

Forsythe (2016) explained that service quality emanates from behaviour theory, and it involves the study of both positive and negative attitudes that customers have as far as service quality is concerned (Forsythe, 2016). This is important since restaurant businesses are no longer concern with the type or quality of food served, instead other aspects of service which are largely intangible in nature play a more critical role. Service quality is important because the service sector contributed to the South African economy through employment. That is why this study is of particular interest, because it seeks to highlight important factors that are valued by customers who uses the restaurant service industry.

Customer service is important according to Namin (2017) because no business can survive unless it can attract and keep a sufficient number of satisfied customers. Frontline employees who are responsible for customer service and delivery of quality service can help create value and build a loyal base of customers for the company (Streukens & Andreassen, 2013). It is further argued that the personality traits of employees play a significant role as far as the performance of service workers is concerned (Streukens & Andreassen, 2013), hence the need for the better understanding of the 5<sup>th</sup> axiom, covered under the service-dominant logic. According to Lusch, Vargo, and O'Brien (2007), business scholars and practitioners are becoming increasingly aware that superior performance and competitive advantage can be enhanced by providing quality service. Increasingly, the managers of companies are seeking to enhance customer experience by better understanding how to create value (Akaka et al., 2015).

### **2.2.2. Investigating Service Experience**

In crafting the definition of 'service quality', Forsythe (2016), drew on the work of Festinger and others researchers who expanded on the 'Expectation Theory' (1956) and the 'Theory of Cognitive Dissonance' (1957). In short, the two theories argued that a state of discomfort is generated when the outcomes that result from a given situation contradicts what the individual initially expected (Forsythe, 2016).

It would be interesting to establish if the feeling of discomfort is affected by homophilous tendencies or relative deprivation traits during service encounter. Vargo and Lusch (2008b) posited that this discomfort could be a result of the traditional way in which the term 'service' was defined by Smith in 1904 (Vargo & Lusch, 2008b), who viewed 'service' as "activities that create surplus tangible output and can be exported for trade" (Vargo & Lusch, 2008b, p. 26). Over time other 'scholars' have expanded on this definition to frame 'service' as a particular type of 'product' which falls under the category of 'intangible goods' (Akaka et al., 2015; Vargo & Lusch, 2008).

In a quest to understand service marketing, a need to expand its definition was necessary. The traditional way of defining service marketing in terms of good-centered model was not effective, and a new approach was needed (Akaka & Vargo, 2015). Vargo and Lusch (2008) had a lot to say about the service experience, were at the forefront of a new academic debate when they published their first article in 2004 entitled "Evolving to a New Dominant Logic for Marketing" (Vargo & Lusch, 2008). The robust debate that followed led to the publication of "New Service Dominant (S-D) Logic" (Vargo & Lusch, 2008), which compelled businesses to take interest and define what this new concept meant for the business. Service-Dominant logic required company to define service quality from the customers' perspective resulting in unique personalised service for customers, different from others (Vargo & Lusch, 2011). It is imperative for restaurants competing for survival to deliver a high quality of service (Tripathi & Dave, 2016). The only way in which this can be achieved is through an understanding of value from the customer's perspective (Forsythe, 2016).

The compelling argument above was acknowledged by Prahalad and Ramaswamy (2004, p.10), when he mentioned that in the service market forum, "consumers define value as experience, and they push companies to see value the same way". Hence marketers are seeking to create value whilst attempting to satisfy customers (Akaka et al., 2015). Based on these arguments, it could be suggested that service quality is the determinant factor in customers satisfaction (Namin, 2017). This is particularly important in the context of the restaurant industry, where the success and survival of each restaurant depends "on the restaurant performance and its customers' viewpoint about it" (Namin, 2017, p. 70). The more loyal the customers are to a particular restaurant through behavioural intent (repeated purchase) the more successful the business will be (Cheng et al., 2015; Namin, 2017).



### 2.2.3. Service Quality Through Service Dominant (S-D) Logic

Vargo and Lusch (2014) pioneered discussions about service dominant logic and argued that it is an evolving concept that will develop as more and more people continue to expand it into different spheres of business. One area of interest to the study is service quality and according to Namin (2017), higher service quality levels lead to increased customer satisfaction, this in turn results in customer loyalty. In the current competitive environment businesses have to innovate to survive and remain relevant (Cheng et al., 2015). However, innovation is no longer confined to the business itself, but rather is evolving through the joint action of all actors in the network – including customers, suppliers, and partners (Erspective & Lusch, 2015; Vargo et al., 2015). That said, it is important to highlight the two types of innovation presented by Vargo, Wieland, & Akaka (2015) – namely, technology/product innovation and market/customer innovation. This study focuses primarily on the market/customer aspect of innovation where distribution and the development of relationships with customers is crucial (Vargo et al., 2015).

The business environment is dynamic and ever evolving. As a result, companies are compelled to create a value proposition that is unique, and this is becoming a challenge since the world of business is becoming increasingly interconnected (Vargo & Lusch, 2016). Innovation in service is crucial and companies have to identify attributes that must be incorporated into the future of service quality to remain relevant (Cheng et al., 2015).

Vargo and Lusch (2016) argued that economic growth is contingent on innovation. It is through improved service dominant logic that interconnectedness and inclusion are achieved, leading institutions and their arrangements to realize the importance of providing managers and strategists with a different perspective on what ‘continuous’ and ‘discontinuous’ innovation means (Vargo & Lusch, 2016). Vargo and Lusch (2016), explained that discontinuous innovation is the type of innovation that always creates destruction in the system, while continuous innovation is innovation that is improve on current processes. This study focuses on the latter. Irrespective of whether innovation is radical or not, Vargo and Lusch (2016) posited that it is driven by integration, exchange and the distribution of resources amongst stakeholders. The gist of the service dominant logic is that value is always co-created and this logic is captured by the fifth axioms which have evolved over time. These axioms are captured in the table below:

The Axioms of Service-Dominant Logic	
	Axiom
Axiom 1	Service is the fundamental basis of exchange
Axiom 2	Value is cocreated by multiple actors, always including the beneficiary
Axiom 3	All social and economic actors are resources integrators
Axiom 4	Value is always uniquely and phenomenologically determined by the beneficiary
Axiom 5	Value cocreation is coordinated through actor-generated institutions and institutional arrangements
Source: Vargo & Lusch 2017	

#### 2.2.4. Fifth Axioms of Service-Dominant Logic

Since its inception the service-dominant logic has evolved and continues to do so. This evolution path has increased the recognition of the need for a more focused and precise delineation of the foundational premises and specification of the axioms of S-D logic (Vargo & Lusch, 2016). The fifth axiom was introduced to clarify the role that institutions (rules, norms, meanings, symbols, practices, and similar aides to collaboration) and institutional arrangements (interdependent assemblages of institutions) play in the system of value co-creation (Vargo & Lusch, 2016). Continuous revisions and additions led to the service-dominant logic framework being applicable to all exchanges (Vargo & Lusch, 2016). Taking into account all the axioms mentioned in the table above, it is recognised that these institutions and institutional arrangements are the foundational facilitators of value cocreation in markets. Therefore, they are able to fully inform an understanding of networks by conceptualising them as resource-integrating, service-exchanging actors that constrain and coordinate themselves through institutions and institutional arrangements (Vargo & Lusch, 2016). By implication these economic networks tend to be self-governed, and self-adjusting in value co-creation at various levels of aggregation.

Since service encounters involve an interaction between the customer and the business, it is highly likely that different outcomes will be experienced by different customers because of their previous experiences and preferences, as well as potential differences with employees (Vargo & Lusch, 2008a, 2016). This assertion leads to the notion that value is uniquely experienced, and is affected by interactions among different actors and prone to be influenced by socio-historic structures, or institutional arrangements (Akaka & Vargo, 2015).

Akaka et. al. (2015) explained that customer experiences at a fine-dining restaurant will be affected not only by the quality of food and the service that a customer receives from the restaurant, but also the customer's expectations emanating from previous experiences. These expectations also include their own views about what constitute quality customer service. Furthermore, these expectations are influenced by family members, referrals, restaurant reviews, television, magazines and on-line rating. (Akaka et al., 2015). By considering the perspectives of multiple actors, the researcher can gain a better understanding of the context of service experiences.

The study with therefore, seeks to understand how value is perceived from a customer's service quality point of view and link perceptions of service quality to the attributes of homophily and relative deprivation.

## **2.3 Homophily**

### **2.3.1 Introduction**

The theory of homophily is reviewed in this section of the study, as understood from its origins in psychology and sociology. It posits that people that are the same/similar are attracted to those similar to them. Since the service-dominant logic postulate that value creation is uniquely experienced, this section explains how homophily influences behaviour of both the customer and the member of staff who engage during the service encounter and as such create customer experience. In this section the theory of homophily will be explored and defined. The two types of homophily will be explored and their impact on behaviour which is necessary to explain the context.

Homophily is a principle that suggests that "contact between similar people occurs at a higher rate than among dissimilar people" (Mcpherson et al., 2001, p. 416). It further postulates that people tend to treat others of shared social identity more favourably, hence the notion that 'similarity breeds connection' (Currarini & Mengel, 2016). In light of this, it can be argued that people who do not conform to the criteria of a particular social group are excluded and sometimes discriminated against. This is an important concept to unpack, particular in South Africa where convergence was experienced post 1994, how this impacts the 5<sup>th</sup> axioms as outlined in the discussion on service-dominant logic. Among other things, this convergence took the form of numerous black people leaving traditional townships for suburban life, and adopting a different lifestyle to the one they grew up with.

It is with interest to explore how homophily principles still apply post 1994, where advancement of all South Africans resulted in a more individualist position being assumed by black South Africans (Manzi, 2007). This will add to the literature already covered on the subject but not in the restaurant industry which focuses on service and customer experience.

The study of homophily is spread across the topics of social networks, voluntary associations, social capital (at the individual and community level), social movements, culture, organisations and a variety of other functional topics that are affected by network processes (Mcpherson et al., 2001). Its philosophy is mainly that people that are the same are likely to attract. In contrast, relative deprivation theory transcends the concept of sameness and has posited a feeling of discontent towards one's social position and the belief that one is entitled to something (relative to a reference group) they deserve irrespective of sameness. These contrasting views both affect how people perceive the quality of service offered to them. Boucher (2015) suggested that the structure of the social networks that people engage in has a significant influence on social outcomes- including segregation, information transmission, learning, employment and wages. Therefore, an individual's social network limits their amount of knowledge, experience and exposure to the world. Mcpherson, Smith-lovin and Cook (2011) concurred with this and argued that since people generally only have significant contact with others like themselves, any quality (i.e. knowledge, experience and exposure) tends to become localized in a socio-demographic space. He further explained that anything that we experience as a result of our position gets reinforced and becomes typified as "people like us" (Mcpherson et al., 2001). However, Mcpherson et. al (2011) fails to take into account the fact that societies have become more heterogenous in a number of ways (including differences in culture, ethnicity, class, religion etc.).

One of the most memorable programs to grace our television screens, was a sitcom called "Cheers" (Line, Runyan, Costen, Frash, & Antun, 2012), which was based on a local pub in the USA. Nothing was ever mentioned about how good the food was, or how great (or bad) the service was, let alone how cold the beers were (Line et al., 2012). People went to Cheers because it was a place "where everybody knows your name". The need to belong and the feeling of belonging is key in understanding the concept of homophily since it is easier and more rewarding for an actor to interact with a similar person than with a dissimilar one (Wu & Yang, 2016).

### 2.3.2 Definition of Homophily

Homophily has long been documented in the sociological literature, as evident in the seminal paper by Lazarsfeld and Merton in 1954 (Currarini & Mengel, 2016; Dev, 2016). Kossinets and Watts (2009), argued that prior to Lazarsfeld and Merton's (1954) coining the term homophily, people had already displayed the tendency of selectively forming new ties, whilst allowing other existing ties to lapse. Over time these microlevel patterns created macrolevel patterns that became visible, demanding that theorists and policy makers take note (Kossinets & Watts, 2009). The challenge, as suggested by Kossinets and Watts (2009), and Lee and Reade (2015) is understand, what informs these choices of selectively making and breaking ties. From this, it will be interesting to observe if indeed similar people are more likely to become acquainted with each other than with dissimilar people (Kossinets & Watts, 2014). Hogg and Reid (2006) argued that social network theory is an indication that proximity and homophily are determinants of dense, high frequency interactive networks. Therefore, based on our understanding of this theory, individuals who are alike are more likely to have positive and recurring interactions. Anecdotal evidence from the restaurant industry in emerging markets has put this into question (Namin, 2017; Streukens & Andreassen, 2013), when heterophily tendencies appeared more profoundly in a study of preference for front-line staff, customers and staff. If sameness provides close ties, how can people who perceive themselves as similar to others, treat those others poorly? It will also seek to uncover whether these perceived similarities result in mainly negative or positive outcomes. In case of South Africa where majority of the population is black, the study would like to explore if race is viewed as the most impactful factor/characteristics in homophily, what role does racial similarity play on the restaurant experience?

Extensive research conducted by sociologists on homophily has led to two basic levels or dimensions of homophily being identified, namely status homophily and value homophily, (Scepanovic, Mishkovski, Goncalves & Trung Hieu, 2017). This distinction is very important in defining homophily and in order to understand if the homophily tendencies displayed are as a result of the choices people make (status homophily) or if they are induced (value homophily).

**Status Homophily** relates to any formal or perceived status that individuals have. It is made up of some of the most important social dimensions such as ethnicity, race, education, sex, age, occupation and religion (Rhodes & Butler, 2010; Sun & Rui, 2017). This type of homophily has been referred to as “choice” or “individualistic” homophily by Kossinets and Watts (2014) because of the extent to which the frequency of certain homophilous behaviour could be attributed to individual, physiological preferences. The results of a study conducted by Currarini et al. (2009), explained that the segregation pattern observed in social and economic network, and the findings were that individuals tend to form friendship with people of the same race. Meaning that people are more likely to group themselves according to demographic information rather than psychographic identifiers (i.e. personality, interest, attitude etc.). If psychographic identifiers differ and the staff or customer reads the world in terms of one demographic identifiers, then tension could arise.

**Value Homophily** on the other hand, relates more to internal states that are more likely to shape future behaviour, irrespective of status - for instance, intelligence, abilities, aspirations, attitudes and beliefs which are sometimes politically motivated (Rhodes & Butler, 2010; Sun & Rui, 2017). Other terms used to describe value homophily are ‘induced’ or ‘structural’ homophily (Kossinets & Watts 2010). This type of homophily is usually the result of structural opportunities and intersections, for example being part of the same neighbourhood, attending the same schools, being co-works, volunteering for the same organisations and even being part of the same friendship circles. Surely conflated with demographics if certain demographics attend certain schools, live in the same places etc.

Value homophily is a difficult to identify- just because people are friends, does not mean that they are alike (McPherson et al., 2001). Similarly, when people belong to the same political party, it is unclear whether homophily is at the political level or is related to other social characteristics that correlate with politics. For this reason, it is the conflicting views and characteristics that make the study of homophily interesting. There could be tension between staff members and customers if there is a misunderstanding about which value homophily is displayed, which could affect the perceived quality of service being delivered.

Therefore, homophily phenomenon relates to behavioural traits that manifest in the tendency to treat others more favourably if they are perceived to belong to the same group (Currarini & Mengel, 2016), despite evidence that suggests that “birds of feather may not necessary flock together (Mcpherson et al., 2001). A key question then arises how this would play out between actors (service staff and patrons) within a particular context such as the restaurant service industry. Misunderstandings could potentially surface when value and status homophily are misaligned between these two actors. Contextually, Rhodes and Butler (2010, p. 33) found homophily on race to be weak because, “black entrepreneurs choose to network in non-black voluntary organisations to acquire support, contacts, useful information and credibility, and to find out about new products and when to enlarge a market”. If a group has lower degrees of resources, they are not likely to benefit as much from similar people as they are from dissimilar people, that is ones who have access to more resources. A restaurant business represents more mundane and common interaction between demographically similar but similar along other dimensions and the consequent effect on quality of service is perceived. Social networks change over time resulting in people moving from one network to another. This movement from one social network to another has negative consequences which may result in feelings of deprivation (Jensen & Kim, 2015).

### **2.3.3 Effects of Homophily**

Sociological literature has recognized and documented the existence of homophily, the desire to associate with people who are similar to each other, together with the social groups that emerge as a result of this (Scepanovic, Mishkovski, Goncalves, & Trung Hieu, 2017). In an effort to promote diversity within society a study that was conducted in Europe found that there was an increase in diverse schools so as to reduce prejudice and improve intergroup relations (Jugert et al., 2017). However, the results of this study showed that the number of cross-ethnic friendships in schools were lower than the researchers had initially expected - suggesting that students exhibited a preference for friendships within their own ethnic groups (Jugert et al., 2017). These findings are in line with the principles of homophily.

Similarly, a study done by Sarpong and Maclean (2016, p14), discovered that service behaviour amongst marginalised collective groups (in this case West African migrants living in the USA) “shows how marginalised groups exploit their collective identity to subvert engineered equality and the legitimacy of a customer-oriented bureaucracy that requires impartiality”.

Homophily was also evident in a study by Gompers, Huang and Wang (2017), in the formation of a start-up team formation that was responsible for venture capital and hiring. It is with interest that this research seeks to understand how this will play out in the South African context, where the majority of people are black (Statistics South Africa, 2016), and where the philosophy of Ubuntu is pervasive and highly valued in society.

## **2.4 Relative Deprivation**

### **2.4.1 Introduction**

This section of the study will introduce the theory of relative deprivation as understood from field of psychology and sociology, and will cover some studies conducted in other countries. Similar to homophily, this section will contrast the philosophy of relative deprivation and how it affects service quality as determined through service-dominant logic. Relative deprivation has been linked to lifestyle (Halleröd, 2006), and posit that individuals will feel relatively deprived if they believe they need to have something others have, and strongly believe they are entitled to have that item. It has also been linked to the mental health and social behaviour of actors who have been influenced by inequalities (Smith & Huo, 2014). The questions then arise how this would play out between actors (staff members and patrons) within a particular service context in the restaurant service industry.

When exploring relative deprivation, one needs to consider that there are two schools of thought involved when assessing the theory – these can be either subjective or objective (Chipp et al., 2011; Halleröd, 2006; Manzi, 2007). When applying an objective assessment to understand relative deprivation one must take into consideration the standard/normalized lifestyle in society and the institutions and institutional arrangements, in order to determine if an individual is deprived or not (Halleröd, 2006). In so doing, we are then able to say that deprivation is a sociological concept where evidence about the prevailing lifestyle in particular society needs to be produced (Manzi, 2007).



On the other hand, a subjective assessment of relative deprivation refers to choices made by/about the reference group, i.e. the person or the group of people whose social position one wants, as well as the social position that one perceives to be achievable, and that one feels that he/she has the right to reach (Halleröd, 2006). This research will adopt a subjective relative deprivation argument by setting out to understand the reasons why people choose to dine in some places and not others, therefore making their thoughts about choice relevant to the research.

The theory on relative deprivation is used to analyze contexts of perceived injustice and inequality, with the focus being on deprivation or achievement relative to certain standards (Appelgryn & Bornman, 1996; Jensen & Kim, 2015; Pettigrew, 2016). Relative deprivation arises when one has a subjective feeling of discontent based on their belief that they are getting less than what they feel they are entitled to. Therefore people respond to their perceived social status relative to others, rather than their actual status (Osborne, Sibley, Huo, & Smith, 2015). Relative deprivation is experienced when an individual feels angry or resentful due to the perception that one or one's group is deprived of what he/she (or they) deserve relative to some other people (Zhang, Tian, Lei, Yu, & Liu, 2015). The belief that one's standing within the social network is relatively disadvantaged and that this disadvantage is undeserved could lead to the experience of being relatively deprived (Greitemeyer & Sagioglou, 2017). Sudden shifts in social standing (i.e. status) have negative consequences for the actor and those left behind (Jensen & Kim, 2015).

The service-dominant logic provides that the economy (and other social) networks, tend to be self-governing, and overtime self-adjust in value co-creation at various levels of aggregation (Vargo & Lusch, 2016). This implies that what used to be value for an actor changes as they move from one social class to the next due to changes in the economy. The service-dominant logic axioms clearly state that value is coordinated through actor-generated institutions and institutional arrangements. Since the institutional arrangements have changed over time and for South Africa post 1994, how then does this play out within the restaurant service industry. Especially since majority of the beneficiaries as defined within the axioms are blacks who also happen to be the majority of staff providing the service.

This contrasting view of upward mobility makes the study of relative deprivation an interesting one when taking into account the South African context, where the majority of black people were marginalized pre-1994 and the country has since been reunited under the banner of a rainbow nation. There have been many black people that have progressed post 1994 (Manzi, 2007), but the majority still remain marginalized, and have not experienced the progress associated with the promises made by the ruling party in 1994, which promised ‘a better life for all’. The theory of relative deprivation is paramount to understanding the perception created during service encounters when one actor (staff/customer) feels relatively deprived when engaging with another actor (customer/staff) from the same social network or who has experienced a positive shift from one social network to another that is perceived to be more superior.

#### **2.4.2 Definition of Relative Deprivation**

Relative deprivation is one of many socio-psychological theories that have long been researched (Pettigrew, 2016). The concept was introduced by Samuel Stouffer in 1949, Merton enlarged this concept in 1957, and Davis later built its framework in 1959 (Pettigrew, 2016). Relative deprivation attempts to understand the cognitive and affective processes that influence the reactions of an individual and/or a group (Zoogah, 2010). Crosby on Zoogah (2010) suggested that relative deprivation is experienced when an individual’s expectations about the condition of life to which they believe they are entitled to are unfulfilled, thus the individual becomes angry and gets motivated to redress this perceived disparity (Zoogah, 2010). This is because they view their perceived disadvantage as a psychological strain (Nieuwenhuis et al., 2017). Relative deprivation theory implies that people are relatively deprived if they feel they cannot obtain the condition of life that is “the diets, amenities, standards and services” that allow them to play a particular roles in society to participate in certain relationships and to follow the behaviour that is expected of them (Hirschowitz & Orkin, 1997, p. 120). This feeling of deprivation stems from social hierarchy (Greitemeyer & Sagioglou, 2017), which evokes the comparison process (Smith & Pettigrew, 2014). Vargo and Lusch (2016) argued that the most important feature of the axioms was the introduction of institutions and institutional arrangements. It made it possible to start formulating narratives that has the potency to morph into not only a theory of the market, contributing to a theory of marketing (Vargo & Lusch, 2017). This will aid in understanding how hierarchies are formed which will enable the understanding of how other members of society feel deprived when they are excluded from certain social hierarchies.

Simply put relative deprivation is an internal process where the experience of being disadvantaged comes from an interpersonal comparison of oneself to others who are perceived to be better off than oneself, resulting in a feeling that one's disadvantage is undeserved (Smith & Huo, 2014). Hence the way that 'others' and the comparison group are defined, is very important. People have responded with anger to the perceived unfairness of their (Greitemeyer & Sagioglou, 2017; Smith & Huo, 2014) and can even turn violent (Smith & Huo, 2014).

Sometimes people's preferences are limited to what they can afford (Halleröd, 2006). In other words, they are limited by their economic situation. A study conducted by Halleröd (2006) asked individuals about what they could afford, and then also asked them what they had to forgo due to their limited resources. The results of this study supported the notion that economic conditions limit choice and therefore affect preferences (Halleröd, 2006). Growing up less privileged, as a member of a less superior socioeconomic class compared to your neighbours in an affluent neighbourhood can result in relative deprivation being experienced.

Nieuwenhuis et al.(2017) posited that people from relatively disadvantaged families perceive their neighbours as being well-off because they have more resources and life chances in comparison to themselves, and this may create unrealistic expectations that cannot be attained with their current socioeconomic position-thus, leading them to experience relative deprivation (Nieuwenhuis et al., 2017). The inability to imitate the lifestyle of these well-off neighbours confirms the status of the individual within the hierarchy (Greitemeyer & Sagioglou, 2017; Nieuwenhuis et al., 2017). However, Halleröd (2006) has argued that in order to judge if someone is deprived or not, hard evidence must be presented that provides a prevalence and prevailing lifestyle in a particular society when viewed in the context/ face of raising global inequalities. This is of interest in the context of South Africa, since previous research has mostly focused on the differences in life circumstances between rich and poor nations, whilst downplaying within country differences between rich and poor people (Hirschowitz & Orkin, 1997), let alone rich and poor differently, newly created, within a previously homogenous group.

Research conducted some time ago in South Africa by Appelgryn and Nieuwoudt (1996) discovered that when groups are not marginalised, they are less likely to feel deprived.

If this status changes, then how do people that are now perceived to be of a comparatively lower social status adjust (Morden societies = consumption = inclusion, so if you cannot consume are you marginalised)? Appelgryn and Bornman (1996) suggested that when structural adjustments are made, groups that were previously not marginalised started showing signs of relative deprivation. It is evident that things have changed in South Africa since the democratic elections in 1994. Institutions and institutional arrangements have changed to reflex the current context. However, a study by Manzi (2007) revealed that relative deprivation still exists within the black population but unlike during the apartheid era, people no longer felt relatively deprived because of the socio-economic injustice of the past but rather because of current socio-economic inequality. This is in line with what Chipp et al. (2011) said previously about the theory of relative deprivation tending to focus on tendencies that create hierarchies which relegate marginalised groups to the bottom of the social and economic ladder.

Gould in 2002 proposed a different perspective to the concept of ladders within social networks, and argued that relative deprivation is self-imposed (Jensen & Kim, 2015). Essentially his argument was that as people, we over-value social actors of above-average status, and under-value those below even if the differences between them are minimal (Jensen & Kim, 2015). Nieuwenhuis et al. (2017) explained that moving from a poor neighbourhood to a more affluent neighbourhood strengthens the perception of poverty – thus when an actor moves to a new neighbourhood the people in the old neighbourhood feel poorer. This is the negative consequence of positive status shift as explained by Nieuwenhuis et al. (2017). When thought of in this way. It becomes evident that one never win, because even a near success leads to irritation, heightened frustration, and feelings of being mocked (Jensen & Kim, 2015). It then follows that relative deprivation begins when one starts to compare oneself with others (Smith & Pettigrew, 2014).

In contrast to the theory of homophily which advocates for “sameness”, relative deprivation theory suggests that individuals may experience feelings of discontent based on the belief that they are getting less than what they feel they are entitled to (Appelgryn & Bornman, 1996; Jensen & Kim, 2015; Nieuwenhuis et al., 2017; Sarpong & Maclean, 2016), based on what others, who are perceived to the same getting something but they themselves not getting it.

One of the key aspects that need to be understood in order to appreciate relative deprivation theory is the theory of social identification. This theory explores the relationship of the individual with the group, and attempts to explain when and why people identify with a particular group and behave as part of that group (Appelgryn & Bornman, 1996; Zeugner-Roth, Žabkar, & Diamantopoulos, 2015). Homophily theory is also concerned with how people identify with a group and behave within a group.

Yet the approach is different in that whilst homophily posits that people that are similar would want to associate with each other, relative deprivation theory refutes this claim and argues that when people feel entitled to have something and they cannot have it, they will feel deprived, because they are constantly comparing their lot with others of their kind (Chipp et al., 2011; Peng et al., 2014). Consequently during the service encounter, will patrons be met with homophilic behaviour or that of relative deprivation in terms of their waitrons? This is what this research seeks to uncover.

### **2.4.3 Egoistic versus Fraternal Relative Deprivation**

#### **2.4.3.1 Introduction**

It is important to distinguish individuals feeling of relative deprivation from those of a group to which that individual belongs (in-group) when defining Relative Deprivation Theory. This is important because individual's behaviour differs when serving their own interest to when they are serving the interest of a group. Part of the tension between homophily and relative deprivation may be eased when one views types of relative deprivation. When defining relative deprivation, it is important to understand that there are individual feelings of deprivation (egoistic relative deprivation) and those of the group that the individual belongs to (fraternal relative deprivation). The condition of inequality must be approached by taking into account the two positions of relative deprivation because interpersonal (egoistic) and group-related (fraternal) comparisons of deprivation may lead to different outcomes (Helsper, 2017).

Webber (2007) posited that relative deprivation theory is less of a theory and more of the outcomes of processes of the social comparison, The theory's existence therefore pays homage to the choices in reference groups that a person or group makes (Webber, 2007). The reason for this could be that relative deprivation theory relies on the Social Identity Theory and components of the Social Comparison Theory (Helsper, 2017).

The Social Comparison Theory has argued that before an individual judges a situation, they consider the social and physical circumstances of this situation, and see themselves as either primarily unique or as part of a wider social group (Helsper, 2017; Hogg & Reid, 2006). Egoistic relative deprivation will apply if the individual feels deprived whilst the fraternal relative deprivation usually refers to feelings of deprivation on behalf of the group (Webber, 2007). Egoistic relative deprivation is experienced when individuals compare their situation to those of others, while fraternal relative deprivation is more concerned with in-group feelings in relation to those of the out-group (Manzi, 2007), and also who your reference group is. This means that homophily is only important to the extent that it shapes group boundaries. If people are perceived to be similar in one dimension (for instance ethnicity) but different in another (for example social class) this could lead to feelings of relative deprivation.

It is befitting to understand the cultural context of majority of South African (Black People) in locating the egoistic/fraternal relative deprivation. The concept of Ubuntu which is considered to be a social philosophy (Migheli, 2017), cannot be omitted. Directly translated, Ubuntu means 'humanness' (Migheli, 2017) and it suggests that individuals exists because of the existence of other people – consequently interactions between people lead to mutual benefit and cooperation. Collaboration is what drives the concept of Ubuntu and the phrase "I am only because we are, and since we are, I am" (Migheli, 2017, p. 1213). This is true as far as the African philosophy of humanness is concerned. Manzi (2007) suggested that studies conducted in South Africa have not conclusively determined whether relative deprivation is egoistic or fraternal among black South Africans. The Ubuntu phenomenon is aligned more to fraternal relative deprivation where allocentric tendencies are more influenced by the in-group unlike in individualistic deprivation (Manzi, 2007), apart from his study. This implies that a collectivistic attribute is used whereby people focus their attention and actions on other people rather than themselves. It then stands to reason that amongst the black community, one expects to see less egoistic relative deprivation being displayed but more fraternal relative deprivation. Collectivists are usually lower in income and more dependent on each other. As you insert money and mobility into a society, you increase individualism. Thus, socio-economic stratification of a country like South Africa would leave some parts fraternal and others not.

#### **2.4.3.2 Effects of Relative Deprivation**

The effects of relative deprivation have been documented by Social Psychologists. Nieuwenhuis et al., (2017), argued that individuals might experience the disadvantages resulting from relative deprivation as psychological strain, leading to psychosocial problems. The study revealed that as families move from one neighbourhood to another, there is an increase in psycho-social problems if the movement results in the family being poorer than others in the new neighbourhood (Nieuwenhuis et al., 2017). According to the study, these psycho-social problems might manifest internally (resulting in depression or social phobia) or externally (i.e. displays of aggression or conflict resulting in verbal abuse/argument). Such behaviour is better understood when bearing in mind that comparisons usually happen between people with similar lifestyle and access to resources, giving rise to egoistic relative deprivation (Chipp et al., 2011).

On a fraternal scale relative deprivation can be illustrated using the example of Zhanjiang National Park in China, where the advent of tourism was attributed to locals feeling deprived (Peng et al., 2014). In this case, intra-group inequality was exposed in the form of negative behaviour by locals towards tourists visiting the park (Flippen, 2013). Relative deprivation was linked to the poor treatment of tourists. It would be interesting to investigate whether or not there is a linkage between relative deprivation and perceptions of adequate service provision in South African restaurants.

#### **2.4.4 The Effects of Homophily and Relative Deprivation in Developing Countries**

A number of studies have been conducted on relative deprivation in developing nations (Claassen, 2017; Manzi, 2007; Masenya, 2017). Masenya (2017), argued that recent xenophobic attacks on foreign nationals in South Africa, are in fact the effects of relative deprivation. The feeling of being relatively deprived resulted in aggression being used against foreign national who were perceived to be favoured more than local South Africans when it comes to employment opportunities (Masenya, 2017). Classen (2017) concurred with this claim and further explained that poverty begets conflict. This in turn leads to frustrations, which escalates aggression and eventually results in physical violence – all of which are classic examples of internalized deprivation being acted out externally.

Chipp, Kleyn, and Manzi (2011) found that relative deprivation affected the values of 'Ubuntu' when it came to conspicuous consumption by black South Africans in the post-apartheid era. The respondents in this study demonstrated increased levels of egoistic relative deprivation as opposed to fraternal relative deprivation, suggesting that egoistic relative deprivation is more prevalent within groups (intra-group) compared to between group (inter-group) (Chipp et al., 2011).

The genocide in Rwanda in 1994, which was sparked by one ethnic group believing that another ethnic group had more employment opportunities and political influence in comparison to themselves confirms the philosophy of relative deprivation. In an interview with seventeen Hutu man involved and convicted of murder and other crimes, it became clear that the Hutu people felt that Tutsi's were getting all opportunities that they thought they deserved (Scull, Mbonyingabo, & Kotb, 2016). This made the Hutu's to feel threatened by the Tutsi's and this resulted in violence. Flipping (2013), Greitemeyer and Sagioglou (2017) mentioned that as people feel deprived relative to others incident of violence and hostility may increase (Osborne et al., 2015).

Another example of relative deprivation in developing countries is the Zimbabwe's case. Daily oppression and especially violence every time that an election is held because of one political party is thought to have more political influence and access to resources compared to all the others. Moyo and Mbongeni (2017) link the Zimbabwean situation to the theory of relative-deprivation, and posited that people in Zimbabwe committed crime in order to send a signal to the Government that the system they are forced to live in is inherently biased against them, and their socio-economic standing in the society was not of desired state. He also linked relative deprivation to migration of Zimbabweans.

#### **2.4.5 Reference Group**

Webber (2007) posits that the term "relative" in the definition of relative deprivation implied a comparison between self and others. The work of Merton and Kitt (1950) though old but still relevant to relative deprivation as it explains that people do not suffer in an 'absolute' way but rather they compare their lot with that of other people similar to them. Relative deprivation is a process of social comparison, because its existence is purely mediated by the choice of reference group made by an individual or group (Webber, 2007; Zhang et al., 2015).



Webber (2007, p. 107) further posited that a reference group may not refer to “a group at all but could refer to a person or an abstract idea”, such as an ideology of some form. It is important to understand the three different types of reference groups that an individual or a group may refer to when a sense of deprivation is felt (Pedersen, 2004; Webber, 2007). Pedersen (2004) mentioned that a ‘comparative reference group’ is a group that is directly responsible for generating feelings of relative deprivation. It is a group whose situation or attributes a person contrasts with Webber (2007). The second reference group is referred to as a ‘normative reference group’, which is a group that an individual aspires to become a member of (Pedersen, 2004; Webber, 2007). The last reference group is called a ‘membership reference group’, which is the group on behalf of which the individual makes his/her claim against the comparative reference group, i.e. the group that the individual is already a member of (Pedersen, 2004; Webber, 2007). These reference groups are important for this research because members of the population are constantly comparing themselves to others, and they derive satisfaction or dissatisfaction from their relative position compared with other members of the same group (Pedersen, 2004). For the purposes of this research the comparative reference group is used as a generic descriptor in exploring relative deprivation.

Merton and Kitt (1950) pioneered the work done on relative deprivation by Stouffer in 1949 and further introduced the concept of a reference group (Peng et al., 2014). They defined a ‘reference group’ as a “group to which an individual or another groups compares themselves for evaluating themselves and their own behaviour” (Peng et al., 2014, p .736). The group that one considers as a reference group will change over time, either as a result of one’s mobility or due to changes in the group itself (Helsper, 2017). It has been argued that choosing a reference group also shapes cognitive perceptions for instance if ‘class’ is chosen as a reference factor, then the individual will adopt class-based perception on society in general since people compare their own situation to that of a relevant reference group (Nieuwenhuis et al., 2017). The study will delve into the choices of reference groups made by an individual when evaluating the quality of the service that they receive at a particular restaurant.

Both theories of homophily and relative deprivation have mentioned the social networks that one engages in and reference groups as having an effect on how individuals perceive a situation (Helsper, 2017; Nieuwenhuis et al., 2017; Smith & Huo, 2014). Reference groups are part of these social networks (Nieuwenhuis et al., 2017).

Peng et al. (2014), made reference to a study by Merton & Kitt performed in 1950 where attitudes towards one's own socioeconomic status were measured. They found that more often people chose others with similar social properties (homophily) as a reference group and compared their gains and losses against this reference group (Peng et al., 2014). It with interest how this play out when actors engage within the restaurant service industry.

## **2.5 Conclusion**

Homophily theory and relative deprivation theory are contrasting theories that need to be explored. This research will help deepen the understanding of both theories and highlight their impact on the perception of service quality in the restaurant industry. What makes the theories interesting is the fact that homophily posits that people would like to associate with those similar to themselves whilst relative deprivation posits that people will feel deprived if they perceive what others have as something they are entitled to. These contrasting views will be explored and their perceived impact on service quality within the restaurant industry will be highlighted.

The literature that has been accessed so far has focused on consumption (Chipp et al., 2011; Manzi, 2007), and only highlighted the impact of relative deprivation on consumption. The South African context makes this study interesting because the literature that has been accessed so far points to homophily in the minority groups that are marginalized, whereas in the case of south African the previously marginalised group comprises the majority of the population. in addition, the concept of Ubuntu which is an African philosophy, add another dimension to the study.

### 3 Chapter 3: Research Questions

#### 3.1 Research Questions

The literature presented in Chapter 2 defined both the concepts of homophily and relative deprivation, and highlighted the fact that both theories cannot be considered without taking into account the psychological and socio-economic circumstances of an individual or a particular group. The theories presented postulated a contrasting view in that, homophily advocated for sameness, which implies that people are more likely to connect based on their similarities, whilst relative deprivation argued that people develop a feeling of discontent based on the belief that they have been deprived of something that they deserve but do not currently possess. These insights on psychological and socio-economic circumstances provide a deeper perspective into the lives of individuals and groups. These perspectives can be drawn on when attempting to understand what motivates the behaviour of different people. This in turn is useful in enriching our understanding of the drivers of quality service in the restaurant sector.

Most studies have focused on only one of the theories at any given time, with the majority focusing on relative deprivation (see studies by Manzi, 2007, & Chipp, Kleyn, & Manzi, 2011). Research that combines both theories in one study could not be found at the time that the literature was being reviewed. In addition, there is currently little to no research about how these two theories affect perceptions of service quality in South Africa's service industry and more specifically, in the restaurant sector. Appelgryn and Bornman's (1996), study focused on relative deprivation in South Africa both before and after 1994 democratic elections. Manzi (2007) researched the link between relative deprivation and the lifestyle choices of affluent black South Africans, whilst Chipp, Kleyn, and Manzi's (2011) study focused on the effects of relative deprivation on conspicuous consumption in emerging markets, looking particularly at South Africa as a case study. Furthermore, there is research conducted on the effects of homophily in developed countries, focusing particularly on marginalised minorities in these countries. At the time of this study, no literature existed which examined the effects of homophily on consumption in South Africa after the democratic elections. Consequently, this research is the first of its kind and will provide valuable insights into service quality and the restaurant sector in South Africa.

The research is exploratory in nature, and seeks to understand how the theories of homophily and relative deprivation affect the perceptions of the quality of service offered in the South Africa's restaurant industry. The main questions presented below are also the primary questions that the research aims to address. The proposed questions include:

1. Does relative deprivation negatively affect the quality of service offered to South Africans in the restaurant industry?
2. Is relative deprivation experienced differently between customers?
3. Is relative deprivation viewed from an egoistic or a fraternal position where customers are concerned?
4. Is there a difference in how different ethnic groups perceive relative deprivation and homophily?

These questions were selected to get a deeper understanding of the target population, one that could not be achieved through a market survey. Question one seeks to understand if relative deprivation exists and whether it affects service quality. This question aims to ascertain whether customers who frequent restaurants experience a feeling of deprivation when engaging with the establishment. The second question was chosen to investigate whether different customers experience relative deprivation in the same way within the restaurant service industry. The third question will delve into comparisons between individuals/groups and aims to explore whether individuals are fighting for equality between themselves as part of the group or as individuals, and whether they are seeking equality with other individuals or with a particular reference group. Question four was selected to investigate whether different customers from variety of ethnic groups experience homophily and relative deprivation the same?

This study research also aims to add to the debate about service quality in South Africa, which is a challenge that is facing all South African businesses in general. It is hoped that policymakers, and the country as a whole, can learn from vital lessons on how to improve service quality which in turn can benefit the restaurant sector and other businesses, including the tourism sector. The 'Short-Left' campaign which encourages local tourism will benefit from the insights that the study will provide, because these findings can be used to help businesses that are struggling to improve on areas that are valued by customers. These insights will also assist businesses and policymakers in actively using the 'service dominant logic', in the co-creation of value for consumers.

## 4 Chapter 4: Research Methodology

### 4.1 The Research Approach and Strategy

The research used an interpretive philosophy because it sought to study social phenomenon in its natural environment (Saunders & Lewis, 2012). The study focused on how homophily and relative deprivation impacted perceptions of service quality, hence an interpretive approach allowed for the measurement of social adaptation as social actors moved from one stage of life to another (Jensen & Kim, 2015). According to Saunders and Lewis (2012, p.106), “as social actors we interpret our everyday social roles in accordance with the meaning we give to these roles”. When a person moves from being a student to a working person, this process is called social adaptation (Saunders & Lewis, 2012), and this is significant in the study of homophily and relative deprivation, because a move from lower rank position (student) to higher ranked position (working) accorded more prestige and social esteem (Jensen & Kim, 2015). This has an effect on social class that an actor occupies within a social system.

Due to the subjective nature of restaurant experience, it was considered appropriate for the research approach to be qualitative. This approach took the form of in-depth face-to-face interviews with a select group of customers who frequent restaurants in Johannesburg area. The qualitative approach is appropriate when exploring the thought processes and feelings that are involved when making reference to the theories of homophily and relative deprivation, as well as effect that these theories might have on the quality of service that is provided at local restaurants. Qualitative approach allows us to see the world through the eyes of customer and to understand the deep meaning and logic of why they act the way they do or perceive that service is good or not. The use of qualitative techniques has previously been associated with the need to understand the different opinions that people might have about a particular phenomenon or encounter based on their own personal experience of it (Merriam, 2014). This approach has also been proven to be useful in studies where engagement with participants allows the research to gain rich narrative data that provides a descriptive account of the participant’s life journey (Myers, 2013). Qualitative research is used when a more ‘in depth’ understanding of consumer attitudes, behaviours and motivations is required (Barnham, 2016).

Since both homophily and relative deprivation are complex social phenomena, a thorough understanding of how they both affect perceptions of service quality was best served by conducting the study using qualitative techniques-these techniques made it possible to gain a better understanding of the complexity of human feelings and interaction with others, while at the same time providing a brief glimpse into a reality that can only be accessed through the use of language (Myers, 2013). Finally, a qualitative approach was more suitable method to use for the purpose of this study since it enabled the researcher to observe the way that participants communicated both verbally and non-verbally (McCracken, 2017).

The long interview method was chosen because it allowed the researcher the opportunity to step into the mind of the other person, thereby seeing and experiencing the world through their eyes (McCracken, 2011). The nature of the open-ended questions used allowed the interviewee to be the one leading the conversation, and in the process, he/she provided useful insight that was not necessarily intended, yet was very important in understanding the motivating factors that underpin individual behaviour. The Long interview method also allowed the interviewer to observe the body language of the interviewee, and from that further insights or follow-up/clarifying questions arose during the course of the interview. While the quantitative approach is considered to be the best method to gain insights by listening to spoken words and observing the body language of participants, some shortfalls have been identified with this technique. McCracken (2017) posited that time scarcity and privacy are two of the main problems that are encountered. Very few people are willing to sit for the hours needed to complete the interview, making this study demanding as far as time management was concerned. Another challenge that was identified was the fact that people are very protective over certain aspects of their lives and might not be willing to share everything with the interviewer or be completely truthful about their experience in the interview.

Another challenge here is that people usually only give information that paints them in a positive light compared to others around them. The researcher has to exercise patience, be understanding, relatable and non-judgemental as far as possible. There was no way to know whether or not the participants are being completely honest with the researcher, but even their dishonesty can provide insights into the topic being researched and at least provided the researcher with a brief glance of their reality and meaning-making process.

As noted above qualitative research methods have not been immune to criticism. Some researchers have claimed that qualitative approach is too subjective and that the outcomes of this type of methods are sometimes biased and easily manipulated by the researcher (Barnham, 2016; McCracken, 2017). It is also an extremely difficult approach to conduct and replicate, making the results more difficult to assess, demonstrate and maintain (Gokhale, 2015). The concerns that have been raised about this method in the past were carefully considered and as much as possible, care was taken to ensure a high standard of quality and validity during data gathering process. Participation into the research was voluntarily and this was expressed at the beginning of every interview, participants were allowed to terminate the interview if they felt uncomfortable at any point of the interview without penalties, and their confidentiality was guaranteed in terms of reporting data without identifiers. All participants were issued with consent forms.

#### **4.2 Research Design**

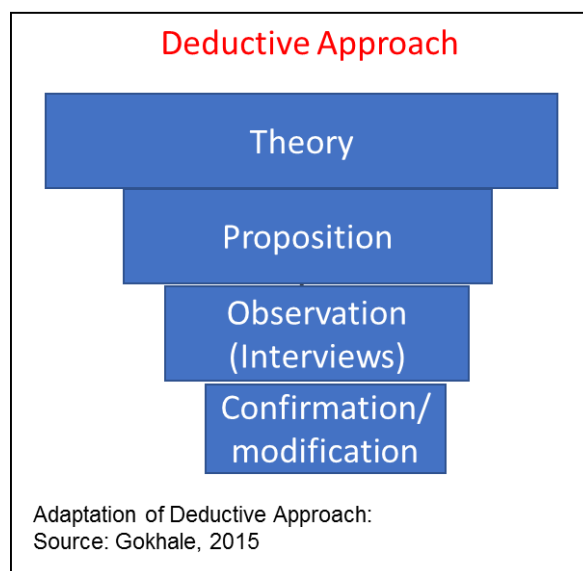
The concepts of homophily and relative deprivation are not new phenomena and there has been extensive research conducted on them in the past. Nevertheless, these phenomena had never been studied in the current context and in combination before (i.e. the use of both theories in a single study), hence the need for a qualitative study like this one in the existing literature. The interest of this study was to understand perceptions regarding the quality of customers service, in the South African restaurant sector. Therefore, this study gravitated more towards attitude analysis and an exploratory research approach was best suited to investigate individual attitudes (Saunders and Lewis, 2012).

Exploratory research employs the use of open-ended questions to explore the research questions posed, and this gave respondents an opportunity to elaborate and respond to questions in their own style and using their own words rather than strictly abiding to a structured format. This in turn allowed the respondents to engage in insightful conversations that evoked emotional responses and also the interviewer flexibility to listen and ask questions at appropriate times. Exploratory research is a new phenomenon within the literature, and according to Marshall and Rossman (2010) this type of research method is appropriate for investigating little understood phenomena, in order “to identify or discover important categories of meaning, and to generate hypothesis for further research” (Gokhale, 2015, p. 41).

Saunders and Lewis (2012) concurred and posited that exploratory research seeks to discover new insights and ask questions to assess topics in a new light, and that is why this approach was selected.

Furthermore, the study also employed a deductive approach, which involved the testing of a theoretical proposition by using a research strategy specifically designed for this purpose (Sunders & Lewis, 2012). This was a top-down approach that began with general theory as represented in Figure 1.

**Figure 1: Adaptation of Deductive Approach**



After conducting a thorough review of the literature, the question that comes out of the theory was phrased as follows: “Do perceptions of sameness and group comparative identification affect service quality”? In light of the approach, deductive reasoning was used in this research beginning with theory on homophily and relative deprivation (group comparative identification), then open-ended questions were developed and used – these questions were influenced by the two theories and sought to explore their impact on service quality perceptions. It was through this process that the study was later able to either confirm or modify the proposed theories.



### 4.3 Qualitative Techniques

It was important to understand the theories of homophily and relative deprivation in detail together with how they affect perceptions of service quality either from an egoistic or fraternal point of view. Given the nature of the current study, it was appropriate to use McCracken's (2017) long interview method as the preferred strategy to gather data. An interview guide was used as the research instrument, and was designed to address the main questions that were proposed in the study. Consistency was pivotal in designing the guide to ensure that all people being interviewed were probed on the exact same issues and themes, thus ensuring that there was a high level of consistency in the interviews. This was a crucial part of the design to ensure that all questions were discussed in full and that no questions were left unanswered. This led to a questionnaire guide that had various questions to address key concerns of the research (McCracken, 2017). Floating questions were also included to allow the researcher the opportunity to explore more about the issues raised by respondents. It was also crucial to have planned prompt questions which were important in giving direction to the interview in case the respondents went outside the scope of the research in terms of their answers (McCracken, 2017). Structured interviews were held with a chosen sample of participants using the long interview approach which allowed for appropriate interpretation of narratives. This was possible because the methodology selected allowed interviewees to share their experience, beliefs, and views without being interrupted or judged. This technique allowed for a two-way communication where follow-up questions emerged depending on the conversation, it also gave the interviewer an opportunity to confirm/re-confirm participants' answers evaluate the proposed framework and provide substantive reasons for their answers (Gokhale, 2017).

A time allocation guide was used, to ensure that the time allocated to the interview was respected and consistent for all respondents. The interviews took place with customers in restaurants around Johannesburg and some customers also visited at the researcher to their places of work and into their homes. In this way, the comfort of respondents was prioritised throughout the data gathering process.

This study was a cross-sectional research design with the proposed topic referring to a particular point in time i.e. a “snapshot” of previous experiences. Saunders and Lewis (2012) explained that cross-sectional studies collect data from male and female customers, with difference in age, socio-economic class and level of educational achievement. This approach aligned well with the objectives of the study.

#### **4.4 Target Population and Unit of Analysis**

Saunders & Lewis (2012), defined a population as a complete set of group members. The population for this research consisted of all customers who frequented restaurants in South Africa. It was planned that the population would be black people residing in South Africa who are between the ages of 18 and 40 years, and who has been to a restaurant in South Africa in the last 12 months.

The unit of analysis was confined to individuals and excluded groups or organisations, because this was what the researcher planned to measure (Sekaran and Bougie, 2010). According to Sekaran and Bougie (2010), unit of analysis is an aggregation of the data collected during the data analysis stage. The research sought to understand the impact that homophily and relative deprivation has perceptions of service quality at a restaurant level, therefore the unit of analysis was individual customers that had visited restaurants in the country during a specified period.

#### **4.5 Sampling Frame, Size and Sampling Technique**

The long interview does not work on large samples as defined in quantitative studies, therefore these rules of sampling do not apply (McCracken. 2011). There were however, rules that were observed to ensure impartiality in the study. The respondents chosen were perfect strangers and had no prior knowledge of the topic under discussion. Diversity in the response pool was observed to ensure that there were differences in terms of age, gender, status, education and occupation between the respondents (McCracken. 2011).

Since the study being qualitative in nature, it required that issues be discussed in-depth using very few respondents. Therefore, non-probability sampling was used because a complete list of the population was not available (Saunders & Lewis, 2012).

To be specific, the non-probability technique employed was a non-probability purposive sampling technique because of the criterion that the sample should have visited a restaurant in the last 12 months (Saunders & Lewis, 2012).

Then the second technique used was snowball sampling where the people that were initially selected to be part of the sample made recommendation to the researcher about other people who might fit the sample criteria (Saunders and Lewis, 2012, p. 139). The other reason for choosing non-probability sampling was mainly because responses from the interview cannot be generalized to the rest of the population.

A sample between of 8 to 15 individuals was selected for the study without any gender preference or biases. Before the research was conducted it was confirmed that the sample did indeed fit the criteria for the study.

#### **4.6 Interview Process and Data Gathering Process**

A clearly structured interview guide was used to ensure that there was consistency when answering questions. The interview guide was structured in such a way that it allowed the interviewer to capture salient points in the answers provided to the research questions during the interviews. The same order of questionnaire was used so as to ensure that all respondents were asked the same questions in the same manner. However, the interview guide also made allowance for situational changes. Depending on the exigency of the situation, the researcher could take a lead from the respondent's answer and probe further by asking relevant questions that may not have been in the initial interview schedule (Sekaran & Bougie, 2010). The long interview tool adopted in the study, gave the researcher an opportunity to step into the minds of respondents and to see and experience the world as they do (McCracken, 2017).

The interviewer used a recording devise (Apple iPhone's ALON Dictaphone) to capture responses from respondents because recording the responses accurately was equally important (Sekaran & Bougie, 2010). These recordings were later turned in to transcripts that were used for further analysis.

All respondents did not have prior access to the interview guide questions, to ensure that they don't form prior opinions, modify or rehearse their responses before the sessions. The respondents were given space and time to respond at their own pace without disruptions.

## 4.7 Data Analysis Approach

The recordings from the face-to-face long interviews were transcribed into written text, and were accompanied by detailed handwritten notes which were edited (Manzi, 2007). The information was coded to link data collected into segments to form themes of relevant information. Thematic content analysis was used to analyse all the data collected from interviews, - this approach allowed for the pinpointing of emphasis, as well as the identification and recording of patterns within the data (Sekaran & Bougie, 2010). Once the information was analysed and grouped into themes was used to answer the research questions in a systematic and coherent manner. The analysis was done through graphically mapping all individual responses to the questions, and then filtering out common words and thoughts expressed in the recorded transcripts (Manzi, 2007). This was done in order to reveal patterns and provide plausible reasons for the responses. An excel spreadsheet was used to code common words that were later arranged in to themes.

### 4.7.1 Transpiration process

A comprehensive process was followed to ensure that the quality of the tranship is of a high standard. The AD Co-author's transcription quality process that was borrowed from Gokhale (2015) was adopted. This can be found in Figure 2 below.

Figure 2: AD Co-Author's transcription quality process

<p><b>Step 1:</b> After using a Dictaphone to record the interviews, a copy was made of the original audio file (which was in .mp3 format). The transcriber only had access to a copy of the audio file, while the researcher retained the original audio file.</p> <p><b>Step 2:</b> The transcriber was briefed beforehand about the theoretical perspective to be used in the study.</p> <p><b>Step 3:</b> The audio was listened to carefully, and then transcribed verbatim so as to capture the nuance of the insights provided by each participant. This meant including all hesitations, pauses, repetitions and cross-talking in the final transcripts.</p> <p><b>Step 4:</b> Disruptions in the recordings were also noted in the transcripts, for instance the ringing of phones, coughs and requests to pause or step outside.</p> <p><b>Step 5:</b> A standard layout was applied to all transcripts using the Microsoft Word program. This was done in order to facilitate comparisons between the collected data.</p> <p><b>Step 6:</b> The transcripts were then proof-read by the transcriber. Proofreading was done while listening to the audio files to ensure that the Word document was a reflection of the recordings. Any necessary corrections were then made accordingly.</p> <p><b>Step 7:</b> Once the quality control process was completed, both the audio files and the transcripts were sent back to the researcher. Clarification was also provided on any unclear sections.</p> <p><b>Step 8:</b> Finally, the transcribed Word documents (Keywords) were then loaded onto Excel Spreadsheet for coding and further analysis using thematic approach.</p>
---

The above process ensured that all audible conversations was transcribed verbatim and accounted for in the same manner.

#### **4.7.2 Coding**

The coding process was time consuming and required that each transcript to be read over and over in order to highlight issues that were central to questions being asked, as well as the topic in general. Words that appeared frequently from all interviewees were used in the coding process. This was then followed by grouping those codes to help outline the key words into themes that helped outlines the process of analysis. Thus, the thematic analysis approach was chosen for this research. An excel spreadsheet was used to code and create themes using key questions asked using the research to identify themes. Considering the nature of this study, a more in-depth understanding of the experience was needed. This called for the interview not only to focus on key questions but also try and understand the context in of people being interviewed. Since the long interview process allows the researcher to view the world through the eyes of people being interviewed (McCracken, 2011), it was important to understand the background of people being interviewed.

#### **4.8 Research Data Validity and Reliability**

It is always difficult to convince the reader of a qualitative study that rigour was applied in terms of data gathering (Merriam, 1998). In order to overcome this a supervisor was consulted to assess the interview guide questions and data gathering methods. This interview guide was then piloted with two colleagues before data was collected. As this research aimed to explore the effects of homophily and relative deprivation on perceived service quality, each respondents experience was unique and individualistic. Therefore, the responses provided by participants could not be assessed based on consistency as this would have been inaccurate. Each experience was different and could not be compared or measured in exactly the same way.

During the data gathering process, responses that were not clear were repeated back to the interviewee to validate. Validity and consistency were verified through codes and themes coming out of the interview from different responses and insights gathered from data. This along with the vast knowledge of work cited in the literature review were checked and analysed to ensure the validity of the research questions.

#### 4.9 Limitation

Qualitative studies by nature are limited because the research sample does not have to be representative, and their results cannot be inferred to the population. The study aims to test evidence of homophily and relative deprivation and linking them to the understanding of perception of sameness and group comparative identification and the effect on quality of service in the restaurant industry within South Africa. The other limitation comes from the fact that respondents' answers are taken as the truth and cannot be verified. There was no data provided to confirm, age, education, occupation and income levels. The researcher did not seek any verification in the form of identification document, educational qualifications, payslips etc. The only form of verification was whether or not people dine out. Some of the people interviewed were familiar to the researcher and therefore, this may have led to some interviewees giving answers partially to please the researcher. Whilst lack of familiarity with other interviewees may have led to intimidation, resulting in respondents giving answers that were measures amidst concern of privacy.

## 5 Chapter 5: Research Findings

### 5.1 Introduction

The purpose of this study was to investigate whether homophily and/or relative deprivation have an impact on the perception of service quality within the South African restaurant service industry. Chapter 2 of the study focused on the definition of service-dominant logic, particularly the fifth axiom introduced by Vargo and Lusch (2016). It then explored the institutions and institutional arrangements that are critical to understanding this phenomenon. This was important because in examining whether homophily and relative deprivation theories have any impact on consumer perceptions of service quality offered in the restaurant service sector, it is hoped that the study will be able to either validate or counter existing findings on the subject. The review then introduced the theories of homophily and relative deprivation in order to establish if these concepts were present in the experiences of respondents. A long interview method (McCracken, 2011) was used aided by an interview schedule in accordance with the research questions proposed in Chapter 3. Respondents of the study were consumers who were selected using both non-probability sampling and snowball sampling. A key criterion in the selection of respondents was that those who took part in the study had to have visited a restaurant in South Africa within the last 12 months (refer to Appendix A for a profile of the respondents). The key concepts that were identified were then grouped into codes, which were later grouped into themes. Therefore, a thematic approach was followed for this research, and adopted a deductive approach. One of the advantages of using the semi-structured interview method is that it allowed respondents to answer questions in whichever manner they were comfortable with, and provided the researcher with opportunities for further probing and clarifying. Non-verbal expressions were also noted by the researcher, as these were considered to be equally as important as verbal responses. The study used codes to group items that were mentioned by different interviewees. These were then grouped into themes and used to answer the research questions posed. This led to the collection of rich, in-depth data which will be represented below under each research questions.

It was difficult to assess the validity of the statements made by respondents because of the nature of qualitative studies. It is therefore, assumed that all respondents were as truthful as possible in answering the questions posed during the interview. Time was a serious factor as most people who initially showed interest did not have time to participate in the study. That said, the respondents were interviewed based on their experience of growing up in South Africa in order to understand the context of their upbringing, and also to investigate the influence that this may have had on their experience of dining out locally. It was important to understand the context of their childhood to determine whether feelings of homophily and/or relative deprivation are present on their narratives of service quality.

This chapter will begin by presenting the results of study arranged according to the research questions that were presented in chapter 3. After addressing the main questions of the study, additional data which does not directly address the main questions but further enrich and expanded on the concept under investigation will be captured under the section called 'additional results'. The chapter will then conclude by summarising the dominant trends gathered from the data.

## **5.2 Research Question One**

### **Does relative deprivation negatively affect the quality of service offered to South Africans in the restaurant industry?**

Looking into the responses given by respondents during the interview can establish whether or not relative deprivation is felt when dining out. To this end, re-visiting the definition of relative deprivation is crucial. Relative deprivation is a theoretical concept that postulates that individuals experienced a sense of perceived injustice or inequality when comparing themselves to others (this can refer either to an individual or a group of individuals Halleröd (2006)). The existence of relative deprivation and its impact on the quality of service offered in the South African restaurant industry can be proven by analysing the interview responses for clues that point to respondents (1) lacking something which they deem to be important or valuable, (2) desiring it, (3) seeing that another person(or a group of people) have it, and (4) thinking that it is feasible to obtain it for themselves (Peng et al., 2014; Webber, 2007).



In order to elicit an unconscious response, the respondents were asked to share their narratives of dining out at South African restaurants. All thirteen respondents were asked to answer this open-ended question, which gave the respondents an opportunity to share both positive and negative personal experiences. It also allowed the interviewer to pick out responses that were relevant to the questions posed. One of the questions in the interview schedule asked whether respondents had ever experienced discrimination at a local restaurant.

From these discussions five constructs were identified. These constructs were ranked according to the number of people who mentioned each one of them.

<b>Question 1. Does relative deprivation negatively affect the quality of service offered to South Africans in the restaurant industry?</b>			
<b>Rank</b>	<b>Constructs</b>	<b>Frequency</b>	<b>%</b>
1	<b>Bad attitude</b>	<b>3</b>	<b>20%</b>
2	<b>Dicriminiation</b>	<b>4</b>	<b>27%</b>
3	<b>not paying attention</b>	<b>1</b>	<b>7%</b>
4	<b>Experience</b>	<b>5</b>	<b>33%</b>
5	<b>good attitude</b>	<b>2</b>	<b>13%</b>
6	<b>0</b>	<b>0</b>	<b>0%</b>

The comments below show that relative deprivation has a mostly negative effect on the quality of service offered. For the respondents in this study relative deprivation manifested itself in three dominant ways, namely bad service experience, discrimination and bad attitudes from staff members.

- **Bad Service Experience**

*"I honestly think it's because they [sighs]...uhm kind of see them [black people] as equals. So if you're an equal, I'll treat you exactly the same. But if you **see**...I think if they see another black person as better as them, so maybe for instance he's driving a fancy car, I think jealousy and also a sense of entitlement forms. And then I'll give you bad service cause you are one of me and now you think you better. That kind of thing". – Wesley, 34.*

*“And for me it is like “How disrespectful”. You serve me for 2 hours, and you don’t even smile at me. You don’t even look at me or acknowledge me. But then at the end of the day, you want me to...to show a sense of appreciation for your work that you’ve done, which I don’t think is **deserving**, you know. Males, is much better. Male to female is much better. And I find that even female waiters are much nicer to male customers as well”. – Amanda, 33.*

*“It was just my husband and I, and it was actually our honeymoon. And we were at Sun City and we decided to go to uhm Fish Monger cause I’m a prawns fanatic. And it so happened I...I ordered a prawn curry, and this prawn curry comes to me with full prawns, not cleaned, big eyes, disgusting. It looked ahh ahh...I tell you I couldn’t even imagine eating it, so I obviously complained and I said “How do you expect me to eat this with rice? Because I see the eyes all over, I see it’s not cleaned...the waiter then calls the manager, and the manager comes up to us and says uhm “Well if you wanted a free uhm plate of food, that’s fine. I’ll write up your bill”. And I really felt it was the most racist thing to do cause he was white, and we Indian” –Verna, 30.*

*“I think ladies uhm...we are in competition in life. As women for our men, if I can put it that way [laughs]. You know, so it’s...it’s a bit of a “If I see another woman **already** classy and I...I want to be like **that**. And I want to look like **that**. And I wish I could be like **that**. That once you are good-looking...here Heather [name changed] comes in with her red number. And sophisticated. Well-dressed. Smells good. And already there’s that thing of “Eish, I wish it was me” and “Who does she think she is?”. And if you’re meeting a **beautiful** gentleman, not handsome but beautiful gentleman, it’s even worse because now it’s just got...and maybe the gentleman came before. And I handled him, you know, as a woman. And maybe there were some **points** there to be recognised, you know. Me blushing [fake laughter]” –Heather, 37.*

- **Discrimination**

*“There are discriminations if...especially when you are with white people when they would rather go and speak to the white male...your white male counterpart first, and he gets his food first and you get your food last” –Anthony, 35.*

*“For me it becomes a language thing. I...I don’t want to say that it’s white or black or Indian or coloured or anything like that. For me [sighs], I find if you can speak the language of the cashiers...and I don’t even know what they...cause I...I can’t speak any, you know, any African languages. So I can understand one or two words, but that’s about it.: And it kinda grates me always when you hear people talking about...I just know they’re talking about me or talking rubbish while I’m standing there waiting for them. And [sighs]...you, know, it just grates me that I don’t know anything. And in that kinda sense I would think...I would...well I feel discriminated against because I can’t speak that language”– Wesley, 34.*

*“No. No, I often find that uhm white customers actually get more attention, than...than myself, or even black customers for that matter” –Sweety, 44.*

- **Bad attitudes from staff members**

*“Especially female to female. Females will give you...I must...I’m sorry to say, but black females to be specific. Black females will give you bad service with attitude, and you will only see a smile when they deliver the note with the invoice. The slip...[laughs] Where you have to put in the tip. What is it, gratuity? Gratitude!” –Amanda, 33.*

*“I would also say yes. Yes. So if you’re seeing how...ag I mean you see it every day, like a person begging for food. He comes in there with torn pants, you know. Really torn jacket and looks dirty, and he’s standing there. And the cashier would treat him **definitely** different than the guy with the suit standing behind him, to be honest. And they don’t know that he could be a multi-millionaire, you know. Whether it’s his choice to look like that or he’s just had a bad patch, or that’s what he is or who he is. That’s just...uhm it’s all about the first...first impression of the person”–Wesley, 34.*

*“You are standing behind someone. and that person gets...person is white, for instance. They stand in front of you and you just listen to the greeting “Hello sir, how are you?”, you know. And then you get there, yes they speak in vernac but [imitation voice] “Unjani (how are you?)”, you know. The **tone** as well, changes, you know. Uhm but...so sometimes uhm there are days where I also become a spook and I’m like “Oh okay, why don’t you address me the same way you addressed him?” –Odirile, 36.*

*“There are certain people that they definitely have an attitude towards and it’s black people”–Zodwa, 39.*

*“So I just feel that black people are more sympathetic to other black people. And when I talk of black people, it’s like everybody in the range of black people. But like I said, I put myself in the shoes of the waitress, and I try to understand because I know what it’s like being a waitress. And I think... Because I’ve done the job. And I feel like that waitress looks at me and I’m smiling and I’m compassionate, and she sees me as the same as her. And so she...she wants my sympathy that things I hate. No. I have found an over-familiarity at the casual dining because you would get cheated out by the lady at the KFC counter or whatever. Like they’ll tell you where to get off. And you’re thinking “But I don’t know you, I don’t know who you are” [laughs]. I don’t think it’s discrimination uhh against me as a person, I would call it an over-familiarity. And coming back to the point that I said “Because I’m black and you are black, and you think that I. That we are the same, and then you just talk to me however you want to” –Sweety, 44.*

From the thirteen respondents who answered this question, 80 percent of responses, narrated negative examples that indicate that relative deprivation does affect service quality. The impact of these results will be discussed further in chapter 6.

### **5.3 Research Question Two**

#### **Is relative deprivation experienced differently between customers?**

In order to decide whether relative deprivation is experienced differently amongst customers, a benchmark for comparison has to be established. The term ‘value’ as defined by the service-dominant logic was applied to assess customers’ experiences. The results for this particular question were gauged from the responses provided to questions 5 to 8 in the research schedule. Codes that were assigned were later grouped together into themes that formed the construct. Four main constructs were identified for the second research question namely your race, tribalism, how you dressed, and gender bias. These constructs represented 84% of the responses to this question.

Question 2. Is relative deprivation experienced differently between customers?			
Rank	Constructs	Frequency	%
1	Your Race	4	24%
2	Tribalism	4	24%
3	How you Dressed	3	18%
4	well known people	2	12%
5	Gender Bias	3	18%
6	Food contamination	1	6%

The following comments were noted from respondents:

- **Your Race**

*“And often you’ll find a black person will go to a black customer and speak in the vernacular. And explain why he’s late, but he will never be late for the white customer. But he’ll explain and the black customer will understand. And even with myself, many times they’ve said “I’m so sorry ma’am. You know what, we’re short-staffed in the kitchen, uhm do you mind if..” –Sweety, 44.*

*“And there are times when we go and dine in places where we **are** the only black people. You know, at some of these exclusive uhm dining places. And you do actually feel like everybody is serving the table...tables that’s...that’s got white people in. And maybe it’s a perception that they’re gonna get a bigger tip if...if they serve the white people. Because maybe they think “Ag, I’m not gonna tip them”. You know, maybe their own perception of me” –Sipho, 42.*

*“I got discriminated against. But they didn’t know that, you know...we went there for the halaal food. Because the wife, yeah...the wife is Muslim, so she needs to eat halaal food. And that’s why we went there. And uhm...they just saw the white guy standing there in front, trying to book a table. So the wife was uptight, you know. So I was just standing there and I...I saw all these...and it was literally, I’m not gonna lie to you, 5 or 6 tables open. But they didn’t want to give me a seat” –Wesley, 34.*

*“You are black. They expect you to greet them in whatever native language. The next minute, you’re speaking to them in English. Then the facial expression just changes. Okay, yeah. Sometimes I feel that it’s not on”–Emmy, 33.*

- **Tribalism**

*“Most of them are black. Yes, absolutely. It’s bizarre. You’re like “But look, we’re the same. Why are you doing this?”, you know what I’m saying? So like I...I wanna go back to the fact that...you know, I said I’m Shangaan and you were treated with contempt because of your dark skin. And because of your uhm...uhm ethnicity, right? Or what tribal group or whatever. Uhm so I don’t...I don’t know, there’s just...there’s just so much hatred in South Africa. There’s..there’s all this tribalism. It’s sad. Like black people just don’t like each other”-Zodwa, 39.*

*“So I say like [pauses]...people out there in the restaurants, they...they don’t like speaking in English for some reason. They trust their native languages. So even if you try to speak to them maybe in one of their native languages. Let’s say for example you try to speak to them in Zulu and this person is a Venda person, they will be offended again. The fact that wena you are a foreigner, you have been speaking to them in English. And you know how to speak in Zulu, for them it’s something else. In other words, they want you to speak to them in Venda”-Emmy, 33.*

- **How you are Dressed**

*“Uhm if you walk in a restaurant or any other shop with a Louis Vuitton bag, automatically it is presumed that there is Louis Vuitton in that bag So uhm you’ll get that service because it is...it’s almost presumed that you’re coming with a level of esteem. And people that has a certain level of uhm esteem will bring esteem to the business. So the business would like to leverage off your esteem uhm etc”-Anthony, 35.*

*“People will always be treated differently depending on how you appear. I mean I spend a lot of my time, for instance on sites, with contractors. You know there’d be instances when I’d take the guys that I work without like to eat. You know we are, you know, on duty. We will quickly maybe catch, you know, a meal or something. There’ll come as they uhm are, and how they are dressed up. So imagine contractors. So there’ll always be that element of “Why are these people here?”-Sipho 42.*

- **Gender Bias**

*“I think also if coming from a lady’s point of view. Uhm ladies...the waitresses also and maybe the cashiers or whoever is in the front as a lady...if they see another lady, treatment will be different. And I mean another lady not as a parent, but as a single lady. If I come in, and I look good and I smell good, uhm I’m coming in...for you, for that waitress to greet me, they’ll greet me not wanting to serve me, you know. They wouldn’t. So they’d rather send a guy and say “Okay, there’s a table”, instead of them going to serve me”-Heather, 37.*

*“You pick[up] on staff that is negative. So probably if you...if you take your lady out, my lady usually actually says “Can we get a male waiter to, you know, to serve us?”. “Why dear?”. So they will tell you that lady on ladies...even if she takes a second **longer** to place an order trying to decide on stuff, you will get a negative, you know, reaction from a lady to a lady..”Kent, 28.*

The results of whether relative deprivation is experienced differently between customers indicate that different people to experience relative deprivation differently within the context of a restaurant. Respondents shared their examples of what they perceived to have been experiences based on a person’s race, the tribe they belong to, their dress code, and gender biases- all of which pointed to relative deprivation being driven by different factors. These represented 84 percent of constructs for this question. The impact of these results will be discussed further in chapter 6.

### 5.4 Research Question Three

**Is relative deprivation viewed from an egoistic or a fraternal position where customers are concerned?**

In order to assess whether relative deprivation amongst customers is egoistic or fraternal, a basis for comparison needs to be established. Egoistic relative deprivation exists when an individual compares their situation with that of another individual, while fraternal relative deprivation exists when an individual compares his/her situation with that of an out-group (Manzi, 2007). For this question, the same principles underpinned question 1 were followed for this question, four dominant constructs/themes namely appearance, strangers, language and discrimination.

The results from the research show that according to the interviewees relative deprivation is viewed more from an egoistic perspective, with 59 percent of people comparing their individual situation to that of other individuals. The results for fraternal relative deprivation was comprised of discrimination, and Language while. Fraternal relative deprivation only made up 36 percent of the constructs, and this came from respondents comparing their situation to that of an out-group.

<b>Question 3. Is relative deprivation viewed from an egoistic or a fraternal position where customers are concerned?</b>			
<b>Rank</b>	<b>Constructs</b>	<b>Frequency</b>	<b>%</b>
1	<b>Discrimination</b>	4	24%
2	<b>Appearance</b>	7	41%
3	<b>Trust no One</b>	2	12%
4	<b>Safety</b>	1	6%
5	<b>Language</b>	2	12%
6	<b>Display of envy</b>	1	5%

There is a stronger sense of care for individual feelings and respondents shared these views in their answers to questions 1 to 7 of the interview schedule (Appendix B).



Questions 1 to 4 were chosen to contextualise the study and establish the respondents' state of mind. These questions also allowed respondents to share their childhood experiences, which were then contrasted with what is currently happening around them. This also included their aspirations as well as the progress they have made in terms of achieving these aspirations. Questions 5 to 7 of the interview schedule were used to gain more insights about the prevalence of relative deprivation and to ascertain the presence of egoistic or fraternal relative deprivation. The comments below indicate the presence of feelings of relative deprivation from an egoistic point of view.

- **Appearance**

*"But I think there's a whole lot of, I think, judgements. People will look at you and how you dressed up and so on, and they'll make a judgement that 'Hai this one is going to tip or you are not', you know"* Kent, 28.

*"I think you have to be realistic. Uhh it was a Jewish woman, but I think she just judged me I think on my appearance. Not black, but probably how I was dressed. If you mention Sandton and the kind of store it is, and how I really I think looked on that day, so...I don't think it was more racial..."*-Sipho, 42

*"I think uhm you get sometimes where just people...a person will look at you, and...and judge you and say "Oh this one I'll treat with respect and...you know". Because maybe they look like they've got money, you know. But when you like maybe just shabby and...so they look at you and then they're like "Oh okay, here", you know. But you can see when they move over to like maybe the next table, it's...it's different. There's a smile on their face, unlike when they are with other people"*-Zodwa, 39.

*"...the staff would look at who's coming in. If you are coming in with...with a T-shirt and a jean you know, looking like you don't have money, I'm not going to treat you the same. **Definitely**. Compared to a guy who comes with a very slick suit you know, who looks like he has plenty of cash in his briefcase. **Definitely** I'm going to treat him differently"* Heather, 37.

*“And for one, I can never look down on that person that made the decision and made the choice to go and work in that restaurant, to say “But you’re only serving me”. Because you know what, that person ultimately has a job. That job is contributing to the economy. And that job is most probably feeding 5/6 other people at home. So, I’ll never look down on that person, but I really feel that sometimes from that side, that they most probably think that “It could have been me and on the other side...”-Carl, 37.*

- **Trust no One**

*“I think uhm for me, safety has a lot to do with it as well. Uhm I think within our society when we were little, we could go on the road and play with our friends, and be free to do...to do what we wanted. I remember riding my bike for miles away from the house. Uhm now children are secluded within their house because of safety. And I think that’s another reason why socially, we can’t get together as well. People are inside of their houses, they’re locked up at night”-Verna, 30.*

*“I’m very protective of my environment and safety is my number one priority. So I **don’t** want people that I **don’t** know. Remember back then, I would welcome people, strangers, into my home. But now I **don’t** want people that I don’t know – Xhosa, Zulu, I **don’t care** what language you speak- Amanda, 33.*

Fraternal relative deprivation which, represented 36 percent of constructs was made up of codes that were aggregated into two main constructs which are Language and discrimination. The comments made by individuals who displayed fraternal relative deprivation are noted below:

- **Language**

*There’s a lot of discrimination. Black on black – “wena” (you) you Xhosa, I am Zulu. It’s...it’s totally...it’s like you’re playing for totally different teams altogether, you know what I mean?-Zodwa, 39.*

*“The difference then became uhm they went to the coloured school and I went to the black...to the white school. And so how I spoke, and how I pronounced my words and the type of things that I used to do became another point of contention for them ...Uhm it...so for them it was a point of “Let’s discriminate against him. Let’s make fun of him. And eventually let’s exclude him”-Anthony, 35.*

- **Discrimination**

*“I wouldn’t say it’s favouritism. I think it is an unconscious bias towards serving white people first. It...it’s like a remnant of apartheid days when you’re so...that’s how you’re wired. That you know, this white person is gonna shout and he’s gonna be angry at you. But you know, the black person will understand”-Sweety, 44.*

*“I guess its historic. I mean...and I don’t know why they’ve been fighting but uhm in South Africa uhm...you get uhm yellow bones and you get the dark-skinned people [laughs]. And even as I grew up uhm you know, anything derogatory or nasty or stupid, they’d be like “Ahh leShangana lele”, meaning “Ah this bloody Shangaan”, you know”-Zodwa, 39.*

*“Obviously Caucasians since...forever I think. They’ve been assumed or prematurely thought that they are the best to serve. And they deserve to be served better because they know the service. But then currently, it has flipped a bit because now in South Africa you have those prominent black people that are coming into the phase after the...the freedom uhm era. So they **know** what they are entitled to, you know.”-Sipho, 42*

*“Cultural level, definitely. Uhm there’s uhm a lot of discrepancies with uhm...[pauses] the...the different groups within the black community. Uhm the African community. So you get uhm...uhm a lot of people discriminating against your Shangaan people and your Venda people.” Zodwa, 39.*

The results show that, respondents a split 59 percent to 36 percent on the question of whether relative deprivation is viewed from an egoistic or a fraternal position, with 59 percent of respondents comparing themselves to other’s similar individuals. The significance of this results will be discussed further in chapter 6.

## 5.5 Research Question four

### Is there a difference in how different ethnic groups perceive relative deprivation and homophily?

The answers so far from questions 1, 2 and 3, have shown that relative deprivation persists amongst customers that visit restaurants. These results also indicated that relative deprivation is felt at both egoistic and fraternal levels, although the difference is minimal. Discrimination has been a common factor that has been mentioned in all answers so far. Therefore, it is not surprising discrimination was the second construct after lack of service when respondents were asked to answer the questions 5 to 8.

<b>Question 4. Is there a difference in how different ethnic groups perceive relative deprivation and homophily?</b>			
<b>Rank</b>	<b>Constructs</b>	<b>Frequency</b>	<b>%</b>
1	<b>Discrimination</b>	6	43%
2	<b>Segregation</b>	1	7%
3	<b>Lack of service</b>	7	50%

- **Lack of Service**

*“So I went to Spur before. Uhm and it was only four of us, my...my former friends. And just to get someone to come and serve you. Just for someone to give you a table to sit. There was a lot of...a lot of stuff going on, you know what I mean? Customers were standing outside to get tables and...and for us to get a table, we felt like there was preference being given, you know, around... just race. Just race. Just race, and probably they look like they can tip better than.” Kent, 28.*

*“It’s an outing, you’re in a good mood to do, you’re expecting good service, you’re paying for it, so obviously you’re upset. And...and in most cases, disrespected I’d really want to get up and walk out, really”-Charmaine, 26.*

- **Discrimination**

*“So there are those social dynamics as well that take place. But the sad and...and confusing part Tumi, is you will see the same waiter that is serving you uhm with bad attitude and doesn't take your order properly and is distracted; giving another table which is white or Indian different service. Same person, smiles, “Ma'am, how are you doing today?”, jokes thrown around and all good service. Not distracted, paying full attention, uhm giving the service that they should be giving, right”-Heather, 37.*

*“We were working for Unilever and we'd gone out uhm with...with uhm white friends. And we went to Vacca Matta. And...we got there, I was on the phone so my friends had gone through. They didn't have to pay, they didn't have to do anything. They had walked through...into the restaurant. I suppose it was called a pub or whatever else. They walked through. And uhm when it was time...when I got off my call and when it was time for me to actually walk through and go join up with them, I was told “Sorry, there's a private function in there”. So I was saying “No, it can't be because my friends are in there.”. And they were saying “No, it can't be because it's a private function.”. Then I said “I can prove it to you”, and they said “Sorry sir, can you just move away.”. So **again**, uhm yes I have been discriminated against. That was the worst discrimination I've”-Anthony, 35.*

*“I think that I've...I've had service where I would be with white friends and they would treat the white friends better than what they would treat me. But at the end of the day, the money has got the same colour”-Carl, 37.*

The results from the respondents indicated the overwhelming opposite to the question posed. The results indicate that there is no difference to how different ethnic group perceive relative deprivation. What the results also showed was that fewer respondents displayed the principles of homophily or were unsympathetic to the principles of homophile as far as service quality is concern.

## 5.6 Additional results

All of the respondents were born pre-1994, and most were at least 10 years and above with exception of two, when the first democratic election was held in the country. Majority of the interviewees felt that their condition has improved from when they were young in comparison to their parents. Even though they did not fill poor they mostly agreed that their condition as a result of isolation led them to feel relatively deprived once they become exposed to other races when growing up.

Most of the interviewees did highlight the sense of community that they grew up under when they were young and indicated that this is no longer the case. Only a few did not experience the sense of community when growing up.

Feeling of being safe as a child was one of the key issues raised by the respondents as an important part of growing up in a caring community, and safety fears were mentioned as a factor why adults are afraid to dine out these days. Since most of the respondents started relatively poor with exception of Wesley and Charmaine who were relatively well off compared to others. All respondents have worked hard to improve their life and education played a role in their success today. It is on this basis that they are considered to be the same by this research at the time of the study.

## 5.7 Conclusion

The results of this study indicate that relative deprivation is persistent among patrons of restaurant businesses. Homophily on the other hand did not appear to play any significant role in terms of service quality perception at a restaurant level. When it comes to the group that was interviewed, egoistic relative deprivation edges fraternal relative deprivation indicating that when it comes to quality of service, individual to individual comparative is preferred.

Even though results on relative deprivation were more egoistic, comparison was done purely on a racial basis, signifying the feelings of racism and racial inequalities that still persist in South Africa.

## 6 Chapter 6: Discussion of Results

### 6.1 Introduction

The results reported in Chapter 5 have answered all the main questions asked in the research and have been used to contextualise the study. These results bring to light the experiences of customers who regularly dine out in South African. Additionally, is also highlight phenomenon of 'value' being co-created, with the beneficiary (or the customer in this case) being the determinant of such value. The experiences of respondents growing up in South Africa, a country that is transforming post-apartheid makes the insights shared invaluable. Institutions and institutional arrangements have to evolve with time to remain relevant. The study's engagement with 13 individuals who frequent restaurants in South Africa has provided further insights about the general trends and motivation of South African consumers on issues such as service quality, customer satisfaction and transactional interactions.

This chapter seeks to locate the discussions and issues raised during the interview process within the literature reviewed on service-dominant logic, as well as the theories homophily and relative deprivation. The issues raised in chapter 1 as the factors motivating this study will also be discussed. In other words, this chapter discusses the results of the research with reference to the literature that was presented in Chapter 2, the questions that were posed in chapter 3 and the results that were in Chapter 5. In linking the results of this study to the relevant literature reviewed. The aim to either confirm the literature, or provide an alternative view of it. In doing so, the results gathered will be analysed in light of similar or related earlier studies conducted in other countries. This chapter concludes with a summary of the findings and insights gained in the study.

The overall results from this study recorded relative deprivation as a persistent factor affecting the service quality offered at restaurant in South Africa. Homophily traits were less prevalent but were mentioned by fewer respondents. The behaviour displayed by service personnel during service encounter affected the perceived value of the quality of service being offered and as a result, this had a negative effect on the patronage (or repeat purchasing behaviour) of particular restaurants. From the results gathered it was evident that lack of acknowledgment from service providers that value is co-created and that the 5<sup>th</sup> axiom of service-dominant logic is an important part of doing business. This



failure of business recognise that beneficiaries are at the centre of value creation will lead to restaurants losing patrons, and ultimately being forced to shut.

Further insights that were initially not part of the research questions but were deemed relevant in understanding relative deprivation and its negative impact on perceived value will be discussed. The chapter concludes with the summary of the findings and insights gained in the study.

## **6.2 Relative deprivation negatively affects the quality of service offered to South Africans in the restaurant industry.**

The results in chapter 5 shows an overall agreement that the feeling of relative deprivation affects the service quality offered to South Africans in the restaurant industry. In the group interviewed, relative deprivation seemed to come mainly from experiences within the restaurant itself, including perception of being discriminated against, and service personnel's bad attitude. The examples shared by respondents during the interview regarding the constructs of discrimination and bad attitude, suggest that the feeling of relative deprivation is seemingly linked to the past injustice and current inequalities felt by consumers who frequent restaurant establishment. Race was the motivating factor behind feelings of relative deprivation when both constructs were discussed. This suggests that respondents were discriminated against as felt deprived due to social, political, and economic reasons. Given that not all respondents come from a disadvantaged background, polarised views and ways of thinking were expected.

It is important to understand the context that has shaped the respondents view in order to effectively interpret the results, and this includes the upbringing of the different respondents. Moyo (2017) suggested that relative deprivation was evident in Zimbabweans who moved out of their country to seek greener pastures elsewhere. Only five of the respondents grew up in Gauteng, while the remaining respondents came from areas such as Durban, Pietermaritzburg, Zimbabwe, Rural Eastern Cape and Hammanskraal (which is also still considered to be a rural area). Most of the respondents moved to Gauteng, however only one still resides in Hammanskraal. Not all respondents experienced the hardships of apartheid as they were isolated from other races while growing up. Exposure to different races for most of the participants came at high school and university level.



Only the five people who grew up in Gauteng experienced apartheid. The Indian participants hailing from KwaZulu-Natal were largely protected from apartheid because they grew up in an insulated community comprised primarily of other Indian people. Similarly, respondents from Zimbabwe, Eastern Cape and the former Bophuthatswana (now the North-West province post-apartheid) heard about it, but reported that they did not experience it personally.

Respondents mentioned the following factors that point to the existence of feelings of relative deprivation between customers and staff. Under the construct of **bad service experience**, the following became evident:

- Restaurant staff assumed homophilous tendencies when attending to black customers (such as speaking in the vernacular, failing to attend to black customers in a timely manner because it was assumed that they would be more understanding, etc.) and this resulted in relative deprivation being felt by black customers, because they felt that they were not being given the same attention and quality service offered to Caucasian customers. Words such as *'over-familiarity'*, *'same as me'* and *'equals'* were used by respondents to illustrate this point.
- Black female customers expressed feelings of negative relative deprivation when served by other females, and preferred to be served by a male staff member instead. It was the view of black female customers that female staff members are jealous of other females of the same race, and accordingly tend to treat them in a condescending manner. Words like *'they want to be me'*, *'why is it not me'* and *'you think you are better than me'* were used to describe feelings of deprivation from the staff members' side.
- There were also instances where non-white customers felt deprived because they perceived the management of a particular restaurant as being racist towards them. For instance, being of Indian descent, a respondent reported that the manager had implied that her and her husband were complaining about the quality of the food to avoid paying the bill, which she thought was highly offensive and racist.

Under the construct of **discrimination**, respondents reported that:

- When in the presence of their white friends or colleagues, they often feel relatively deprived because restaurant staff members focus on serving their white counterparts first and also giving them most of their attention at the expense of black clientele.
- Language was also identified as a point of discrimination. Non-black customers (as well as black non-South African customers) felt deprived and found it inconsiderate when staff members continued to have conversations in the vernacular while people who do not understand the language were standing in line waiting to be attended to. One of the respondents in the study, Wesley (a white male), reported that he felt uncomfortable whenever this happened because it was a form of exclusion since he did not understand what was being said – thus deprivation was experienced in this sense.

Under the theme of **bad attitude** coming from staff members at restaurants, respondents shared that:

- Appearance and dress code played a big role in the way that customers were treated. It was reported that black customers from both poor and affluent backgrounds received bad attitude from staff during the service encounter if they were not appropriately dressed according to the staff's standards, looked like they did not have money to tip the staff or wore untidy/old clothes. Two of the former factors applied mostly in casual and fine dining settings, while the latter factor was experienced mainly at fast food outlets

Bad attitudes were also reported by respondents in terms of the way that staff members addressed customers of different races. For instance, some participants noted that when standing behind a non-black person in a queue, that person would usually be addressed politely and be referred to as 'Sir/Ma'am', however when it was their turn to be served the staff member's tone of voice would change completely and they would not receive a polite greeting or they would not be greeted at all in some instances.

With all that said, the following theory confirms that what the respondent expressed is in line with what Halleröd (2006) posited when he clarified that people feel relatively deprived if they believe that they need to have something others have, and strongly believe they are entitled to have that item.

To Halleröd (2006) credit, respondents from the study fit the description that the study adopted, which is an subjective approach to relative deprivation where choices made by/about the reference group i.e. the person or the group of people whose social position one wants, as well as the social position that one perceives to be achievable, and that one feels that he/she has the right to reach. Hirschowitz and Orkin (1997), added to the definition and mentioned that the theory mentioned by Halleröd implies that people who cannot obtain the condition of life that is “the diets, amenities, standrds, and service”that allows them to play a particulr roles in the society to participate in ceretain relationships ans to follow the behaviour that is expected of them. The feeling of deprivation stems from social heirachy which envokes comparison (Grietemety & Sagoiglou, 2017).

Classen’s (2017) study which was conducted in South Africa revealed that poverty begets conflict and that this leads to frustration, which then escalates into agression. Another study in the Netherlands by Hieuwenhuis (2017) indicated that relative deprivation manifested itself in agression or conflict, resulting in verbal arguments and physical violence. Evidence of this can be found in the examples provided by respondents during the interview process.

- **Conclusion and Summary**

In terms of research question one, there appears to be congruence between what the theory of relative deprivation mentions and the response provided by the participants in the study. Therefore, I do agree with the theory that relative deprivation affect the quality of service offered.

### **6.3 Relative deprivation experienced differently between customers.**

Responses to this question highlighted the following:

The feeling of relative deprivation expressed by respondents can be divided into four themes. As far as this question is concerned, respondents shared their experiences of feeling relatively deprived on the basis of their race, the tribe they belonged to, how they were dressed and their gender.

With regards to **race**, experiences of placing an order first as a black person and another person who happens to be Caucasian receiving their order before you were shared. White people were thought to be the first to receive communication about delays and late orders, while it was assumed that black customers would understand and that they would not complain. Conversely, one of the white respondents in the study shared an example of when he also felt discriminated on the basis of race – he pointed out that a table was refused to him because he was white man in a Muslim area. When he arrived at the restaurant, he was told that all the tables were booked by regular customers (who also happened to be wealthy) and was made to wait for a long time for a table to become available. He mentioned that he suspected that he was refused service at this restaurant because they did not know that he is married to a Muslim woman, whose diet only includes halaal food. In this case, this participant felt discriminated against because he was neither Indian nor Muslim.

On a **tribal** basis - one particular respondent mentioned that certain tribal groups received poor service due to the fact that they belong to a certain tribe, i.e. Shangaan. This feeling was also shared by one respondent, who felt that she was treated differently because as a non-South African, she was not a member of one of the local tribal groups and therefore could not speak the language spoken by local restaurant staff members. She reported being given bad attitude by a staff member because of this. This particular staff member also insinuated that this participant thought that she was better than the staff because she was unable to talk to them in the vernacular.

The **way a person dresses** was also found to affect the kind of service they received. The majority of respondents shared an experience where they witnessed or experienced relative deprivation as a result of the way that they, or somebody else, were dressed. It therefore becomes evident that dressing well is associated with positive self-esteem and higher socio-economic status, while what is perceived to be poor dress sense by staff members is associated with a lack of hygiene, lower socio-economic status and a reluctance to spend money – thus resulting in unfair treatment and poor service provision.

The literatures suggest that relative deprivation tends to focus on hierarchies which relegate marginalised groups to the bottom of the social and economic ladder (Chipp et al., 2011), however the literature acknowledges that the feeling of relative deprivation is self-imposed (Gould on Jensen & Kim, 2015), the reason being that as people we over-value social actors of above status and under value those who are below. Manzi's (2007) findings highlighted that relative deprivation still existed within the black population but that unlike during apartheid era, people no longer felt deprived because of socio-economic injustice but now are feeling relatively deprived because of socio-economic inequalities. The results from this study concurred when one takes into account what Jensen and Kim mentioned and also take into account the findings by Manzi. Respondents had created a physical persona of an actors who is either over-valued (dress well, wears clean clothes and suit, look impactful etc.) and another social actor who is under-valued (dresses shoddy, wears dirty clothes, prefers to speak vernacular etc). In this way, Jensen and Kim summation seem to be correct that the feeling of relatively being deprived is self-imposed.

It can also be argued that overtime social classes change and people move from one social class to the next as suggested by Nieuwenhuis et al. (2017). This argument leads to Webber's view that relative deprivation is more of a social comparison process rather than a theory because it relies on social identity theory.

- **Summary and conclusion**

Respondents always referred to and shared examples of instances where they had compared themselves to a white person, because this group of people were thought to get the best service and excellent treatment in general. However, the only white person in the study also related an incident where he felt discriminated against on the basis of race, and therefore compared himself to another racial group, i.e. Indian people. It was further found that most staff members at restaurants used social class as a means by which to label social actors. They assigned a value to customers based on their standing in social class and felt relatively deprived if they found themselves falling short of a customer's perceived social status. This then manifested itself in rudeness towards the customer, delayed service provision and at times, a refusal to serve that particular customer. Thus the results of this particular question largely concur with what has previously been found in the literature.

#### **6.4 Relative deprivation is viewed from an egoistic and not fraternal position where customers are concerned.**

A feeling of relative deprivation can manifest its self in two ways one of which is egoistic and fraternal manner as per the literature reviewed in chapter 2.

Theory of relative deprivation provides that it is important to distinguish between individual's behaviour when serving their own needs in comparison to when serving interest of the group (Manzi, 2007). Helsper (2017) posited that egoistic relative deprivation will apply when individuals compare their situation to those of other. Respondents who commented referred used examples of situations where they compared how they felt or how they have perceived the treatment relative to another person, or group. Most of the examples used refer to reference of a person of a different race, status, or some higher social standing. Manzi (2007) had mentioned that in a true spirit of Africa the Ubuntu phenomenon which is more fraternal would be dominant but the result indicates that when coming to dining our egoistic relative deprivation turns to be fore egoistic.

Results indicate that relative deprivation is still being perceived from an egoistic point. The conversations with respondents indicated that people felt more deprived by focusing on their own situation and comparing that with other individuals. The themes that were outlined in terms of research question number three were, appearance, strangers and safety. During the conversation the following was shared.

**Appearance** as a construct received more comments from respondents. Most participants shared the view that experiences of quality service and the treatment that one receives from staff members was highly dependent upon physical appearance. . There was a consensus among respondents that people who dress shoddy receive bad service in South African restaurants. Respondents also shared personal experiences where bad service was received because of how they themselves were dressed during a particular service encounter. Most notably, having branded attire was thought to result in good service provision, whereas overly simple, ill-fitting or uncoordinated attire garnered bad service and impoliteness from waiters.

Lack of trust and **safety** are discussed together because there is a link between the two. Respondents indicated that while their upbringings were characterised by homophilous tendencies - where communities looked after each other and people took care of one another - the current lifestyle in South Africa had propelled them to view security as a top priority. In other words, people no longer feel that there is a sense of community in the country. A number of respondents mentioned that the concept of Ubuntu is no longer a reality and two of the respondents even indicated that security concerns played a significant role in where they choose to dine out.

The studies conducted have been done in Western countries where migrants workers are in a minority. Therefore, these studies have indicated that migrant workers turn to stick together when working in foreign countries Sarpong & Maclean (2016), thereby displaying homophilic tendencies. Results in South Africa show the opposite not only because the context that is different to that in western countries, but also different because black customers are also in a majority. The reference group for these black customers is no longer other black people, but post-apartheid South Africans have integrated with black people moving into areas which used to be predominantly white. Pedersen (2004) mentioned that reference groups are important as they are used by members to compare themselves to. He further stated that reference groups can be 'comparative' reference group in where black people compared themselves to others, or it can be 'membership' reference group where black people can refer to people of other races because they aspire to belong to that group.

### Summary and conclusion

In terms of question three of the research, relative deprivation can be viewed from an egoistic reference group. In a multiple democracy like in South Africa, this happens across the race line.

### **6.5 There is a difference in how different ethnic groups perceive relative deprivation and homophily.**

Results from the study indicate, homophily was strong during the apartheid era, but was racially motivated. People kept to themselves and related to people that are the same as them.

A number of respondents shared their stories growing up and concepts like Ubuntu, every mother, was your mother- people looked out for each other and no one went to bed hungry. Safety was felt and shared across from the related stories. The view was this was racially motivated.

During schooling days those respondents who attended multi-racial schools displayed some homophilic behaviours by still choosing to sticking to their own in an environment that allowed for mixing of people from different races. It then became evident that with changing times people homophilic tendencies reduced as they moved to the cities , something other respondent attributed to competition amongst people in the city, words like it is a rat race, we always chasing something were used.

Respondents then shared their views in terms of what this meant to them in today's terms and whether those feelings of sameness are still relevant. To answer that question, most respondents mentioned that they do not even know their neighbours and blamed the fast pace of life in the city for that. They also indicated a lot has changed since democracy came to South Africa and people have got rights, and people seem to be in competition.

Homophily theory as defined by Lazarsfeld and Merton's since 1954, suggested that people are attracted to those that are the same. "Birds of the feather flock together" has been used by theorist to explain the concept of sameness that posit that people will stick and associated with those similar to them. Currarini et al. (2009) explained that segregation patterns have been observed in social and economic networks, were people turn to from friendship on the basis of race, and this choice that people make (Kossinets and Watts, 2014) is referred to as status homophily and most respondents agreed that during the apartheid era, status homophily was experienced.

However, evidence presented by the same respondents acknowledged that status homophily is not as prevalent as it was prior 1994. People associated more along the lines of intelligence, abilities, aspirations, attitudes and beliefs which is describe by the theory as value homophily (Rhodes & Butler, 2007; Sun & Rui, 2017).



## 6.6 Impact of the fifth Axioms

The theories of homophily and relative deprivation have been discussed in detail but the impact on service-dominant logic has not yet been brought into the discussion until now. It is important to remind ourselves of the 5 axioms that are part of the service-dominant logic.

Axiom 1 – Service is the fundamental basis of exchange. For the restaurant business this is critical and most of the respondents responded by stating that you cannot separate the food from the service. Others even went further to state that; when the service is bad even the food taste bad. It is important to engage customers in order to find better ways to improve the encounter where service is exchanged.

Axiom 2 – Value is co-created by multiple actors, always including the beneficiary. In all that we do within the service-dominant logic has to address this point. All the process and training provided should focus on improving this axiom. It calls for companies to include consumers or the insights in creating value. Gone are the days where businesses develop products and services without input from consumers.

Axiom 3 - All social and economic actors are resources integrators. This is an important point because we have seen that people who used to have homophilic tendencies during apartheid years have egoistic one post-apartheid. Business should constantly scan the environment and adjust accordingly to remain relevant.

Axiom 4 - Value is always uniquely and phenomenologically determined by the beneficiary. This point is similar to the one made in Axiom 2. A service cannot be created without beneficiary. Businesses need to define exactly clearly who beneficiary of the service is, and how they benefit from the service rendered.

Axiom 5 – Value co-creation is coordinated through actors-generated institutions and institutional arrangements. This calls for the entire service ecosystem to work together in value creation. Institution as defined in Chapter 2 of the study and the arrangement they create or develop have to work in harmony taking the beneficiary into account in creating value. This point calls for companies to review what they currently stand for, and periodically evaluate if relationship they have are benefiting or not.

## 6.7 Conclusion

Relative deprivation has more damaging consequences, as indicated by respondent to the study that if they perceive to have received inferior quality service they may not visit a restaurant establishment for some time. The behaviour of personnel at restaurant cannot be separated from the experience of dining out. In fact, it is crucial that the service part is corrected in light of one of the respondent comments who mentioned that ....”when the service part if good ...the food becomes the cherry”.

## 6.8 Further Research Insights

Long interview process allowed for respondents to share their views on the topic of homophily and relative deprivation without holding back. This allowed the research to gain deep rich insights that only qualitative studies can provide. These insights are not part of the research questions but the information is invaluable for future research and other policy makers.

The research revealed that there is an issue that need to be addressed. Black women seem to be jealous of each other and this was evident in the research. Respondents indicated that they prefer to be served my males. Words like they envy you, wish it was you, they want to be in my space. I am not responsible for you being here (referring to the waiter). They want what I have. One of the respondent even mentioned that his girlfriend always requests for a male waiter whenever they dine out.

There appears to be unintended consequences to homophily taints being displayed. This can either be viewed as condescending or coming across as displaying behaviour that is interpreted as over familiarity. In both cases it is perceived bad from customer point of view. Since in South Africa the majority of staff are black and serve predominantly black customers this needs to be address.

The obvious question that came across what a race issue which is deeply rooted in the heart of the respondents. People are expressing their frustration on bad service and link it to race when it should not be about that. This calls for companies to internally deal with issues of race and make sure thy not only offer training but support for staff to deal with issues of race when they come to the for front during service encounter.

The issues above were made in passion but speak to the mental health of some of the respondents. If these are the leaders of tomorrow and future consumers these feelings



need to be addressed in order to understand some of the underlying dynamics that determine interaction amongst South Africans.

## 6.9 Conclusion

The overall argument in the discussion of the results suggest that relative deprivation persist and homophily does not. The feeling of deprivation is egoistic in that it is fuelled by the culture of every man for himself (Individualism?), which compels individual to look at their experiences and compare it to other similar to them. The service experienced by respondents clearly indicated this and support the theory. As more people become educated and move from rural/township setups into the suburb, their in group relative deprivation seem to be lost and individualism is expressed more, this is fuelled by security issues that the country is grappling with at the moment. The feeling of relative deprivation creates a feeling of distrust for whites by blacks. It also creates a feeling of entitlement which most respondent acknowledged that white people think they are entitled to better service, since black people always served them.

There inconsistencies between policies and economic both from government but also for business need to be reviewed. Opportunities to better oneself needs to be looked at as most respondents indicated that they have improved from where they were post-apartheid due to education they received which opened doors for them. Level of education is key in reducing relative deprivation.

The new service-dominant logic should move from being just another phenomenon and be part of all business within the service sector. The axioms which are applied without focused attention needs to form part of every service orientated company's strategy.

## **7 Chapter 7: Conclusion**

### **7.1 Introduction**

This chapter details the findings of the research in terms of the main questions asked and the reasons for the research stated in chapter 1. The chapter bring to closure questions that were asked in Chapter 3. The chapter begins with the summary of the findings and conclusions that were drawn from the research findings. The chapter will conclude with recommendation to policymakers and marketing and also direct future research.

### **7.2 Findings Summary and Conclusion**

The overall finding of this study is that relative deprivation persists amongst the thirteen respondents that were interviewed. The feeling seems to be exacerbated by the injustices of the past and the current economic condition that is affecting all but mostly majority of black people in the country. The feeling of relative deprivation that is displayed is more egoistic in nature as individual compare themselves to other reference individuals (customers). This does not suggest that feelings of fraternal relative deprivation did not show, where black South African compared themselves to other races (out-group). The overwhelming display of relative deprivation from the respondents was that of egoistic relative deprivation.

Homophily traits seem to have diminished when individuals left their places of birth and moved into the city. The community feeling and the feeling of Ubuntu was lost in the process of growing up. It is as if it is now being relegated to storytelling where the story begins with the following lines: “once upon a time in South Africa....”. People are more into themselves and safety issues was given as one of the reason for isolation.

The research also revealed that comparative or reference group has changed even though race was used as the main reason for comparing oneself to the other this is in line with what was mentioned in the past that reference groups change overtime Appelgryn and Bornman (1996) and Nieuwenhuis et al. (2017).

The research shows that relative deprivation is best defined through observation and how one feels during the service encounter. Aligning to the service- dominant logic, which postulate for value being created from the beneficiary's point of view. The service industry has not caught up to this new phenomenon judging from the response from people that were interviewed. It appears that all the players are doing the exact same thing and no one really stands out in terms of taking the new service-dominant logic and creating a unique value service. The respondent also had their own views on what is good quality making the case for service dominant logic a good one to pursue.

The research also found that business will be affected if the feeling of relative deprivation is not addressed as patronage will not return after they experience bad service. The research also highlighted that customers who receive bad service will share their experience with friends and family while other will take it to social media.

It is therefore suggested that the Government of the republic of South Africa is ultimately responsible for uniting all South African under one vision. The education system need to be addressed so that people can be able to take opportunities when they arise. The respondents have indicated how education has helped them move from their state when they were young to where they are at the moment.

### **7.3 Recommendation**

The research is aimed at exploring, homophily, relative deprivation and customer service and asked if perception of sameness and group comparative identification affect service quality. This was conducted to enrich the debate and also add to the literature on. why some people feel that service quality is compromised by the two phenomena.

The research aims to help business people in South African to understand customers better and to consider customer as part of value creation and to stop focusing on creating value for customers who are generally not part of the business currently. The study thus, challenges the current thinking on how value is created and posit for a new service-dominant logic which advocates that competitive advantage in the service sector will only be achieved through all stake holders being engaged with the customer being part of the stakeholders.

To this end., the recommendations that follows below are for both groups that stands to benefit from the study.

#### **7.4 Policy Makers**

It is recommended that the Ministers in the Presidency reviews this study and arrange different task teams to see how issues raised by South African in this report are addressed through relevant departments in government.

Relative deprivation in South Africa will need policy makers to take light of the issues raised in this report document. There is a lot of previous injustice that is affecting how people relate as a whole across colour line. Policies are need to address pressing issues such as:

- Land Reforms
- Address education so that majority of people can improve their life.
- Policies to intergrade South Africans more.

Economic policies that will enable people to participate in the main stream economy. This will lead to people being able to improve their lifestyle and therefore affording what they desire. This should reduce the feeling of relative deprivation.

## 7.5 Marketers and Managers

This research is important for marketers and managers in terms of understanding customers that patronage restaurant business. It is particularly important in light of some of the accusations levelled against front line staff that are supposed to offer service to customers. Insights from this research should be used to develop future training material that will include:

- Training of staff on awareness of effects on relative deprivation and the impact of service quality.
- Businesses should define what the new service-dominant logic mean to the business they are in, and apply themselves to how they incorporate that in their daily activities such that the beneficiary (customer) feels included.
- Use further focus groups to find rich insights on an ongoing basis to make sure that the fifth axiom of institutions and institutional arrangement is current and relevant all the time.
- Insights should also inform in terms of the type of people organisations chose as employees. If a company recruit properly and provide appropriate training on quality of service. This should be followed up by an effective measuring tool to assess the effectiveness of training. Moving training from a tick box exercise to a value adding activity.

Since this study is an explorative one, it is recommended that further studies be conducted to ensure that findings are quantified using different respondents from other provinces, a larger sample and maybe, a at different levels of affluency.

## 7.6 Direction for Future Research

The research was conducted using 13 of the respondents who are mainly based in the Gauteng Province, as per the sample criteria. For future research, the following direction are suggested:

- It is recommended that the research be extended to include respondents of other provinces in order to tease out geographic nuances and enrich the findings. The



results might be different to those of a city like Johannesburg where life is always in a hurry.

- It is also recommended that a study be conducted how relative deprivation is perceived from a gender point of view. There is a more gender bias narrative that comes from the current study, and it will be enriching to understand what role does gender play in relative deprivation.
- The current study was based on a sample of consumers who uses restaurant, it will be interesting for the narrative to come from the side of employees employed in the same sector.
- It will also be interesting to conduct the same study but using a different technique. A quantitative study or mix method study could bring interesting insights and build on the theories and current literature.



## 8 Chapter 8: references

- Akaka, M. A., & Vargo, S. L. (2015). Extending the context of service: from encounters to ecosystems. *Journal of Services Marketing*, 29(6/7), 453–462. <https://doi.org/10.1108/JSM-03-2015-0126>
- Akaka, M. A., Vargo, S. L., & Schau, H. J. (2015). The context of experience. *Journal of Service Management*, 26(2), 206–223. <https://doi.org/10.1108/JOSM-10-2014-0270>
- Appelgryn, M. . ., & Bornman, E. (1996). Relative deprivation in contemporary South Africa. *The Journal Of Social Psychology*, 136(3), 381–397.
- Barnham, C. (2016). Quantitative and qualitative research: perceptual foundations. *International Journal of Market Research*, 57(6), 837. <https://doi.org/10.2501/IJMR-2015-070>
- Burger, R., & Zoch, A. (2017). The Middle Class in Contemporary South Africa: Comparing Rival Approaches. *SSRN Electronic Journal*, 1–20. <https://doi.org/10.2139/ssrn.2973727>
- Cheng, C. C., Tsai, M. C., & Lin, S. P. (2015). Developing strategies for improving the service quality of casual-dining restaurants: New insights from integrating IPGA and QFD analysis. *Total Quality Management and Business Excellence*, 26(3–4), 415–429. <https://doi.org/10.1080/14783363.2013.839166>
- Chipp, K., Kleyn, N., & Manzi, T. (2011). Catch up and keep up: Relative deprivation and conspicuous consumption in an merging market. *Journal of International Consumer Marketing*, 23(May 2015), 117–134. <https://doi.org/10.1080/08961530.2011.543053>
- Claassen, C. (2017). Explaining South African xenophobia. *SSRN Electronic Journal*, (May). <https://doi.org/10.2139/ssrn.2974065>
- Currarini, S., & Mengel, F. (2016). Identity , homophily and in-group bias. *European Economic Review*, 90(14), 40–55. <https://doi.org/10.1016/j.euroecorev.2016.02.015>
- Dev, P. (2016). Homophily and community structure in networks. *Journal of Public*



*Economic Theory*, 18(2), 268–290.

- Erspective, L. O. P., & Lusch, R. F. (2015). Service Innovation: A Service-Dominant-Logic perspective. *MIS Quarterly*, 39(1), 155–175.
- Flippen, C. (2013). Relative deprivation and internal migration in the united states: A comparison of black and white men. *American Journal of Sociology*, 118(5), 1161–1198. <https://doi.org/10.1086/668691>
- Forsythe, P. J. (2016). Construction service quality and satisfaction for a targeted housing customer. *Engineering, Construction and Architectural Management*, 23(3), 323–348. <https://doi.org/10.1108/ECAM-05-2015-0076>
- Gompers, P. A., Huang, K., & Wang, S. Q. (2017). Homophily in entrepreneurial team formation. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2973329>
- Greitemeyer, T., & Sagioglou, C. (2017). Increasing wealth inequality may increase interpersonal hostility: The relationship between personal relative deprivation and aggression. *The Journal of Social Psychology*, 0(0), 1–11. <https://doi.org/10.1080/00224545.2017.1288078>
- Halleröd, B. (2006). Sour grapes: Relative deprivation, adaptive preferences and the measurement of poverty. *Journal of Social Policy*, 35(3), 371. <https://doi.org/10.1017/S0047279406009834>
- Helsper, E. J. (2017). The Social relativity of digital exclusion: Applying relative deprivation theory to digital inequalities. *Communication Theory*, 27(3), 223–242. <https://doi.org/10.1111/comt.12110>
- Hirschowitz, R., & Orkin, M. (1997). Inequality in South Africa: findings from the 1994 October Household Survey. *Social Indicators Research*, 41(1), 119–136. <https://doi.org/Doi 10.1023/A:1006896318681>
- Hogg, M. A., & Reid, S. A. (2006). Social identity, self-categorization, and the communication of group norms. *Communication Theory*, 16(1), 7–30. <https://doi.org/10.1111/j.1468-2885.2006.00003.x>
- Jensen, M., & Kim, H. (2015). The real oscar curse : The negative consequences of positive status shifts. *Organization Science*, 26(1), 1–21.
- Jugert, P., Rutland, A., Brown, R., Cameron, L., Nigbur, D., Watters, C., ... Le Touze, D. (2017). Increasing ethnic diversity moderates longitudinal effects of individual



- differences on friendship homophily. *Journal of Community and Applied Social Psychology*, (October 2016), 411–423. <https://doi.org/10.1002/casp.2319>
- Kossinets, G., & Watts, D. J. (2009). Origins of homophily in an evolving social network. *American Journal of Sociology*, 115(2), 405–450. <https://doi.org/10.1086/599247>
- Kossinets, G., & Watts, D. J. (2014). Empirical analysis of an evolving social network. *Science*, 311(5757), 88–90. <https://doi.org/10.1126/science.1116869>
- Line, N. D., Runyan, R. C., Costen, W., Frash, R., & Antun, J. M. (2012). Where Everybody Knows Your Name: Homophily in Restaurant Atmospherics. *Journal of Hospitality Marketing & Management*, 21(1), 1–19. <https://doi.org/10.1080/19368623.2011.611728>
- Lusch, R. F., Vargo, S. L., & O'Brien, M. (2007). Competing through service: Insights from service-dominant logic. *Journal of Retailing*, 83(1), 5–18. <https://doi.org/10.1016/j.jretai.2006.10.002>
- Manzi, T. (2007). *The link between relative deprivation and lifestyle choices*.
- Masenya, M. J. (2017). Afrophobia in South Africa: A general perspective of xenophobia. *Bangladesh E-Journal of Sociology*, 14(1), 81–88.
- Mcperson, M., Smith-lovin, L., & Cook, J. M. (2001). Birds of a feather : Homophily in social networks. *Annual Review of Sociology*, 27, 415–444. <https://doi.org/10.1146/annurev.soc.27.1.415>
- Migheli, M. (2017). Ubuntu and social capital: A strong relationship and a possible instrument of socio-economic development. *Cambridge Journal of Economics*, 41(4), 1213–1235. <https://doi.org/10.1093/cje/bew070>
- Moyo, & Mbongeni. (2017). *Post-independence literature in Zimbabwe and challenges faced by morden Ndebele society: A case study... research gate*. <https://doi.org/10.13140/RG.2.2.22722.27840>
- Namin, A. (2017). Revisiting customers??? perception of service quality in fast food restaurants. *Journal of Retailing and Consumer Services*, 34(October 2016), 70–81. <https://doi.org/10.1016/j.jretconser.2016.09.008>

- Nieuwenhuis, J., van Ham, M., Yu, R., Branje, S., Meeus, W., & Hooimeijer, P. (2017). Being poorer than the rest of the neighborhood: Relative deprivation and problem behavior of youth. *Journal of Youth and Adolescence*, 1–14. <https://doi.org/10.1007/s10964-017-0668-6>
- Osborne, D., Sibley, C. G., Huo, Y. J., & Smith, H. (2015). Doubling-down on deprivation : Using latent profile analysis to evaluate an age-old assumption in relative deprivation theory. *European Journal of Socio; Psychology*, 45(Study 1), 482–495.
- Pedersen, A. W. (2004). Inequality as Relative Deprivation: A Sociological Approach to Inequality Measurement. *Acta Sociologica*, 47(1), 31–49. <https://doi.org/10.1177/0001699304041550>
- Peng, J., Chen, X., & Wang, J. (2014). Applying relative deprivation theory to study the attitudes of host community residents towards tourism: The case study of the Zhangjiang National Park, China. *Current Issues in Tourism*, 19(7), 734–754. <https://doi.org/10.1080/13683500.2013.877876>
- Pettigrew, T. F. (2016). In pursuit of three theories: authoritarianism, relative deprivation, and intergroup contact. *Annual Review of Psychology*, 67(1), 1–21. <https://doi.org/10.1146/annurev-psych-122414-033327>
- Rhodes, C., & Butler, J. S. (2010). Organizational membership and business success: The importance of networking and moving beyond homophily. *Challenge*, 16(1), 33–48. Retrieved from <http://digitalcommons.edu//challenge/vol16/iss1/5>
- S. Scepanovic, I. Mishkovski, B. Goncalves, N. Trung Hieu, P. H. (2017). A Semantic homophily in online communication: evidence from Twitter. *Online Social Networks and Media*, 2(August 2017), 1–18. Retrieved from <https://arxiv.org/pdf/1606.08207.pdf>
- Sarpong, D., & Maclean, M. (2016). Service nepotism in cosmopolitan transient social spaces. <https://doi.org/10.1177/0950017016636997>
- Scull, N. C., Mbonyingabo, C. D., & Kotb, M. (2016). Transforming ordinary people into killers: A psychosocial examination of Hutu participation in the Tutsi genocide. *Peace and Conflict: Journal of Peace Psychology*, 22(4), 334–344. <https://doi.org/10.1037/pac0000158>

- Shaw, G., Bailey, A., & Williams, A. (2011). Aspects of service-dominant logic and its implications for tourism management: Examples from the hotel industry. *Tourism Management, 32*(2), 207–214. <https://doi.org/10.1016/j.tourman.2010.05.020>
- Smith, H. J., & Huo, Y. J. (2014). Relative deprivation. *Policy Insights from the Behavioral and Brain Sciences, 1*(1), 231–238. <https://doi.org/10.1177/2372732214550165>
- Smith, H. J., & Pettigrew, T. F. (2014). The Subjective interpretation of inequality: A model of the relative deprivation experience. *Social and Personality Psychology Compass, 8*(12), 755–765. <https://doi.org/10.1111/spc3.12151>
- Statistics South Africa. (2014). *Poverty Trends in South Africa: An examination of absolute poverty between 2006 and 2011*. Statistics South Africa.
- Statistics South Africa. Mid-year population estimates (2016). [https://doi.org/Statistical release P0302](https://doi.org/Statistical%20release%20P0302)
- Streukens, S., & Andreassen, T. W. (2013). Customer preferences for frontline employee traits : Homophily and heterophily effects. *Psychology and Marketing, 30*(12), 1043–1053. <https://doi.org/10.1002/mar>
- Sun, S., & Rui, H. (2017). Link formation on twitter : The role of achieved atatus and value homophily. *50 Th Hawaii International Conference on System Sciences, 5609–5618*. Retrieved from <http://hdl.handle.net/10125/41839>
- Talukder, A. K., Campus, D., & Anglong, K. (2017). A study of commercial banking service quality and customer satisfaction, *8*, 10–14.
- Tripathi, G., & Dave, K. (2016). Assessing the impact of restaurant service quality dimensions on customer satisfaction and behavioural intentions. *Journal of Servince Reseach, 16*(1), 13–39.
- Vargo, S. L., & Lusch, R. F. (2008a). Service-dominant logic: Continuing the evolution. *Journal of the Academy of Marketing Science, 36*(1), 1–10. <https://doi.org/10.1007/s11747-007-0069-6>
- Vargo, S. L., & Lusch, R. F. (2008b). Why “service”? *Journal of the Academy of Marketing Science, 36*(1), 25–38. <https://doi.org/10.1007/s11747-007-0068-7>
- Vargo, S. L., & Lusch, R. F. (2011). It’s all B2B...and beyond: Toward a systems perspective of the market. *Industrial Marketing Management, 40*(2), 181–187.

<https://doi.org/10.1016/j.indmarman.2010.06.026>

Vargo, S. L., & Lusch, R. F. (2016). Institutions and axioms: an extension and update of service-dominant logic. *Journal of the Academy of Marketing Science*, 44(1), 5–23. <https://doi.org/10.1007/s11747-015-0456-3>

Vargo, S. L., & Lusch, R. F. (2017). Service-dominant logic 2025. *International Journal of Research in Marketing*, 34(1), 46–67. <https://doi.org/10.1016/j.ijresmar.2016.11.001>

Vargo, S. L., Wieland, H., & Akaka, M. A. (2015). Innovation through institutionalization: A service ecosystems perspective. *Industrial Marketing Management*, 44(2013), 63–72. <https://doi.org/10.1016/j.indmarman.2014.10.008>

Webber, C. (2007). Revaluating relative deprivation theory. *Theoretical Criminology*, 11(1966), 97–120. <https://doi.org/10.1177/1362480607072737>

Weinstein, A. T., & Mcfarlane, D. A. (2017). How libraries can enhance customer service by implementing a customer value mindset. *International Journal of Nonprofit and Voluntary Sector Marketing*, 22(1). <https://doi.org/10.1002/nvsm.1571>

Wu, C., & Yang, H. (2016). Homophily effect of academic achievement on adolescent friendship network evolution. *EDP Sciences*, 3004, 1–6. <https://doi.org/10.1051/mateconf/20167103004>

Zeugner-Roth, K. P., Žabkar, V., & Diamantopoulos, A. (2015). Consumer ethnocentrism, national identity, and consumer cosmopolitanism as drivers of consumer behavior: A social identity theory perspective. *Journal of International Marketing*, 23(2), 25–54. <https://doi.org/10.1509/jim.14.0038>

Zhang, H., Tian, Y., Lei, B., Yu, S., & Liu, M. (2015). Personal Relative Deprivation Boosts Materialism. *Basic and Applied Social Psychology*, 37(5), 247–259. <https://doi.org/10.1080/01973533.2015.1072090>

Zoogah, D. B. (2010). Why should I be left behind? Employees' perceived relative deprivation and participation in development activities. *Journal of Applied Psychology*, 95(1), 159–173. <https://doi.org/10.1037/a0018019>



**9 Chapter 9: Appendix**  
**Appendix A**

	Name of interviewee: Names Coded	Gender	Age	Race	Occupation	Marital Status	Children																		
1	Antony	Male	35	Coloured	Marketing Manager	Single	0																		
2	Oratile	Female	36	Black	Quality Manager	Married	1																		
3	Zodwa	Female	39	Black	Team Assistant	Single	1																		
4	Sipho	Male	42	Black	Interior Designer (Own Business)	Single	0																		
5	Sweetie	Female	44	Indian	Senior partner (Law firm)	Divorced	1																		
6	Amanda	Female	33	Black	Marketing and Sales Manager	Single	0																		
7	Carl	Male	37	Coloured	Finance	Single	0																		
8	Kent	Male	28	Black (Zimbabwean)	Auditor (food sector)	Single	1																		
9	Emmy	female	33	Black (Zimbabwean)	Training consultant	Married	1																		
10	Heather	Female	37	Black	Training Manager	Divorced	3																		
11	Wesley	Male	34	White	Area manager	Married	1																		
12	Verna	Female	30	Indian	Sales Executive	Married	2																		
13	Charmaine	Female	26	Indian	Area Leader	Married	0																		
		<table border="1"> <tr> <th colspan="2">Gender</th> </tr> <tr> <td>Male</td> <td>5</td> </tr> <tr> <td>Female</td> <td>8</td> </tr> </table>		Gender		Male	5	Female	8			<table border="1"> <tr> <th colspan="2">Race</th> </tr> <tr> <td>Black</td> <td>7</td> </tr> <tr> <td>White</td> <td>1</td> </tr> <tr> <td>Indian</td> <td>3</td> </tr> <tr> <td>Coloured</td> <td>2</td> </tr> </table>		Race		Black	7	White	1	Indian	3	Coloured	2		
Gender																									
Male	5																								
Female	8																								
Race																									
Black	7																								
White	1																								
Indian	3																								
Coloured	2																								
		<table border="1"> <tr> <th colspan="2">Marital Status</th> </tr> <tr> <td>Single</td> <td>6</td> </tr> <tr> <td>Married</td> <td>5</td> </tr> <tr> <td>Divorced</td> <td>2</td> </tr> </table>		Marital Status		Single	6	Married	5	Divorced	2														
Marital Status																									
Single	6																								
Married	5																								
Divorced	2																								

## Appendix B

### Interview Guide

1. Tell me about your childhood experiences.
  - a. What have you experienced?
  - b. How did that make you feel?
  - c. Why do you feel that way?
  - d. Do you feel all people were treated the same?
  - e. Tell me more of how people were treated differently
  - f. Did you experience discrimination? Tell me more
2. What kind of lifestyle did you want when you were young? Tell me more
3. Which set of people had such a lifestyle?
4. Tell me about your experiences these days. What has changed. Tell me more
  - a. What do you experience?
  - b. What have you achieved?
  - c. Who do you admire?
  - d. What kind of lifestyle do you want now?
5. tell me about your experiences at restaurants. Does anything stand out?
6. Was it pleasant/unpleasant. Tell me about the staff
  - a. Do you think customers are fair to staff? Tell me more
  - b. Do you think staff treat all customers the same?
  - c. Have you experience favouritism?
  - d. Have you ever experienced customers treating staff bad?
  - e. Why do you think some customers treat staff badly?
7. do you think you have been discriminated against in restaurants? Tell me more
  - a. Do certain people experience it more than others?
  - b. What factors influence who people treat you? (Education, wealth etc.)
  - c. Is that a fair way to treat people?
  - d. How does that make you feel when you experience discrimination or bad service?
8. does the way you are treated affect your choice of restaurants and restaurant chains?
  - a. Would you still buy food there is serviced was bad, explain?



