UNIVERSITY OF KWAZULU-NATAL

AN ASSESSMENT OF SERVICE QUALITY AND CUSTOMER SATISFACTION AT SOUTH AFRICAN BREWERIES (SAB)

By

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Abstract

The liquor industry has become intensely competitive due to structural policies with respect to the empowerment and entry of new entrepreneurs into the industry and existing companies merging with international investors. Consequently, South African Breweries (SAB) is now faced with increasingly challenging and enormous competition which has caused their market share to decline during the last few years. As elsewhere in the industrialised markets, SAB is striving for survival and to retain customers. Generally, in this competitive atmosphere, it becomes essential to understand the factors which lead to customer defection. Customer satisfaction is imperative for the long-term success of any organisation. Service quality within retail is the only tool that distinguishes an organisation from competitors and is pivotal to satisfying and retaining customers. The aim of this study is to evaluate if customers are satisfied with the service offered by SAB. To achieve this objective, the dimensions of service quality were studied and measured to assess the perceptions of customers, to determine customer satisfaction and dissatisfaction levels and to identify the shortcomings that could be amended for improvement from a quantitative perspective. A survey questionnaire covering five SERVQUAL dimensions and one additional dimension of Retail Service Quality Skills (RSQS) was carried out from a stratified random sample of 103 liquor outlets (customers). Due to financial and practical reasons, this study was restricted and focused on only one SAB plant, which is SAB Springfield, Durban. The sample of 42% females and 58% females, was selected from the database of SAB Springfield, Durban as a sample frame. Data accumulated was analysed using SPSS version 17. The findings show that among six service quality dimensions, the policy dimension had the lowest satisfaction levels, followed by average satisfactory levels on dimensions of empathy, assurance, responsiveness and tangible. The management at SAB must take appropriate measures to improve the quality of policy dimension which emphasises the importance of offering high quality merchandise and appropriate handling of returns and exchanges.

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CHAPTER ONE

INTRODUCTION TO THE RESEARCH

1.1 Introduction

This study was designed to provide a rigorous analysis of service quality and customer satisfaction levels in the liquor industry. This chapter provides the background to the research and an overview of the research problem statement. It also specifies the key aims and objectives of the dissertation, discusses the research approach, focus of the study and significance of the study. The limitations of the study and the context of the remaining chapters of this research are also outlined in this chapter.

1.2 Background

The South African liquor industry is part of the overall beverages sector and can be generally categorised to entail the manufacture, marketing and distribution of wine, spirits and beer. The liquor industry is one of South Africa's most important industries. It stimulates economic activity throughout the entire beverage value chain (Econex and Quantec Research 2010). It contributed R93.2 billion to the South African economy in 2009/10 (Mabuza 2013). Econex and Quantec Research (2010) also reported that "4.4% of the country's gross domestic product (GDP) can be traced back to the liquor industry's manufacturing operations and capital expenditure." The direct impact of the liquor industry and its first round of suppliers on tax revenue are estimated at R19.5 billion or a hefty 57% derived from taxes on the production and sale of malt beer. The liquor industry makes a substantial contribution to the economy of South Africa. It does not only contribute in terms of GDP and tax payments, but also as an employment supplier, provider and user of a multiplicity of goods and services, a role participant in the industry of tourism (Liquor Industry Report 2009).

Key players in the liquor industry include South African Breweries (SAB), Distell, Edward Snell & Co., NMK Schulz, Brandhouse, Pernod-Ricard, Douglas Green and Bellingham (DGB) and United National Breweries (SA). However, three companies dominate the South African liquor industry and compete for a

market share. These companies are; South African Breweries (SAB), Distell and Brandhouse (Hassenfus 2013). SAB is the leading company in the South African Liquor Industry and it plays a significant role in the development of the country. SAB's extensive influence in the economy of South Africa is evident with its GDP of R66.2 billion in 2009 which may also be interpreted as 3.1% of the country's GDP, sales revenue of R32 billion and a value chain of more than 355,000 jobs throughout South Africa during 2009 (South African Breweries 2013). Due to enormous potential of the market and the contribution the liquor industry and SAB make to the country's economy, the study of perceived quality of service from the customers' perspective becomes imperative. It is important to assess the manner in which the services are provided and the experience of customers based on interaction with service provider. This facilitates identification of the shortcomings and help organisation in initiating necessary strategies to improve problematic areas (Khan 2010).

Furthermore, like any other company in a competitive market, SAB endeavours to earn the loyalty of South African consumers by offering high-quality, unique products and services, at good value (SAB Annual Report 2013). In a dynamic global environment, it is striving to remain competitive. The success and continued existence of SAB as a business is largely influenced by their ability to provide superior value to South African society, retailers and consumers. They strive to offer a range of products of uncompromising quality to meet the wide variety of changing needs, service expectations and increasing demand of all consumers and to make them available at affordable and value-for-money prices. This is illustrated by the fact that in recent decades, increases in beer prices have consistently been lower than the inflation rate. As a result, over the past 40 years, SAB has had to drive down the real price of beer by nearly 50% to ward off competition (SAB 2013). It is clear that in the liquor industry the only way in which a company can differentiate itself from competitors is by providing service quality that meets or satisfies the needs and wants of the customers.

According to Hu, Kandampully and Juwaheer (2011), the quality of service, customer value and perceived value of customers, are considered to be the key success elements in attaining competitive advantage within service suppliers. Delivering greater quality service can enhance a company's performance

through improved market share. Organisations that offer a consistent service have higher levels of customer retention (Zeithaml, Bitner, and Gremler 2006). Understanding customer's perceptions will assist SAB to remain competitive and sustainable. Subsequently winning customer loyalty is important in order to survive in today's world of globalization, especially where opportunities of new entrants are open. There is, therefore, a need for a study that provides customer perspective regarding the service quality rendered by SAB in the liquor industry. The study seeks to present an assessment that will assist SAB to determine problematic service areas and consequently improving those areas and maximizing customer satisfaction levels.

1.3 The Research Problem Statement

The South African liquor industry has become highly competitive in the past few years (ARA 2013). The competition in the liquor industry is perpetuated by the development of new entrants. The entrance of enormous investors like Hosken Consolidated Investments which partnered with Distell drove the competition to a higher level. Remgro also improved its partnership with Distell as the major shareholder. Global companies like Pernod Ricard and Diageo have also contributed to increasing competition in the liquor industry by continuing to form mergers as part of a broader African development (Hasenfuss 2013).

The reality of competition in the liquor industry is that the arrival of large global liquor companies into South Africa raises concerns. The smaller companies are merging with international investment giants in order to remain competitive. The influence of the global companies is evidently noticeable by instabilities in market share.

In the last few years, the restructuring policy adopted by Government has resulted in rapid growth of competition in the South African Liquor Industry. The purpose of these structural changes by the Department of Trade and Industry was to facilitate entry and empowerment of new entrants into the industry. As a result of prudent policies of the Government, the industry has witnessed phenomenal increase in competition.

According to the South African Liquor Industry Study appointed by Trade and Industry Department, in 2005 South African Breweries market share was 56%,

Distell with 17,6% and Brandhouse with 7,2%. Five years later SAB ordered Econex and Quantec Research to conduct another study. The study discovered that SAB's market share had dropped by 11%. The major change was the massive increase of Brandhouse market share by 10.8%. This improvement was due to the joint venture between Diageo and Brandhouse. This joint venture caused Brandhouse to secure Amstel, Heineken and Windhoek as the company's new beer brands and as a result the market share increased. Other smaller global companies have cornered niches in fast growing emerging markets. These actions have basically driven down the market share of SAB and pose a threat to the company's dominant position in the liquor industry. The competition from the international rivalries is expected to strengthen over the next few years (Hasenfuss 2013). The question that arises is whether the service quality rendered by SAB is adequate enough to deter liquor outlets/stores from switching to competitors. There is, therefore, a need for a study that will assist SAB in identifying a profitable course of action in this increasingly competitive industry.

Based on what is presented above, SAB is in danger of losing more market share if necessary means for survival are not made. If SAB does not measure the magnitude of customers' actual perceptions of the service and make appropriate measures, the result may have a direct impact on customer defection. It is essential for SAB to be fully aware of its customer perception in relation to the service offered to them. Therefore, this study seeks to assess and measure customer satisfaction and service quality at South African Breweries.

Previous empirical research has focused primarily on the measurement of service quality in the automobile industry (Chiu 2011, p.9780-9787), the banking sector (Irfan 2009, p.1222-1230) and on tourists regarding service quality (Marko 2009, p.629-637). Little attention has been given to assessing customer satisfaction levels, service expectations and service quality in the liquor industry. Based on this, the study examines the quality of service of SAB as perceived by their customers and will provide valuable insight to decision makers of this organisation to initiate improvements in quality of service and to remain competitive.

There is an absence of literature focusing on customer satisfaction and service quality in the liquor industry. This calls for initiative and is a challenge to researchers to conduct scientific research in this industry that will assist not only SAB, but all companies involved in the liquor industry. Such research would identify the shortcomings that could be addressed and so improve customer satisfaction allowing sustainability throughout structural changes.

1.4 Focus of the Study

This research focused on in-depth detail of customer satisfaction and service quality. Accordingly, the main focus was to determine whether customers are satisfied or dissatisfied with the overall quality of service offered by SAB. The research is a foundation to build excellent service quality and customer satisfaction.

1.5 Research Questions

- What are the perceptions of customers regarding the service quality offered by SAB?
- Is there a relationship between service quality and customer satisfaction?
- With which dimensions of service quality are customers satisfied or dissatisfied?
- How can customer satisfaction levels be enhanced?

1.6 Objectives of the Study

The main objective of this study is to evaluate the service quality and customer satisfaction at South African Breweries. The specific objectives for undertaking the study are as follows:

Primary Objective:

To determine the level of customer satisfaction or customer dissatisfaction with regard to service quality of South African Breweries (SAB) in Durban.

Secondary Objective:

To identify the shortcomings that could be amended to improve customer satisfaction with regard to service quality

To determine if there is a relationship between service quality and customer satisfaction.

1.7. Limitations of the Study

There was limitation of resources especially with respect to:

- Finance to cover travelling expenses to all customers
- The time frame was very limited
- The questionnaires required personal administering as some customers were illiterate and the questions needed to be translated into preferred language. The interviewer had to interpret the questions into Zulu and answers into English, which was a time consuming process.

1.8 Significance of the Study

This study is important and beneficial in various ways to all stakeholders involved in SA Liquor Industry specifically: the liquor, manufacturing, retail, service industry and to the economy of South Africa. Through the research findings of this study, management within the liquor industry, manufacturing and service sector would have a better understanding of customer perceptions and the level of satisfaction concerning the service they deliver to their customers. This study could be used by management as a source of information to help them improve and enhance customer satisfaction and service delivery in the liquor industry. It would basically bring out dimensions of service delivery that need urgent improvement and re-engineering. It would also help management in designing service strategies that create and deliver customer value, achieve customer satisfaction and loyalty and build long-term beneficial relationships with customers. The management would better understand the problems that customers experience, the needs of customers, their perceptions and expectations regarding the service they provide thereby implementing strategies to overcome these problems and enhance service quality. SAB will be able to measure their policy goals and objectives. Customers in the liquor industry would also benefit because SAB could use information collected from liquor outlets to improve and enhance the service.

The Government would also benefit through this study in terms of increasing the country's economic rate. The liquor industry is regulated by The South African

Liquor Act which is administered by The Liquor Authority to ensure that this industry continuously contributes significantly to the economy by developing a responsible alcohol consumption society. The findings from this study will potentially contribute to SAB's long term sustainability, increased profit margins and continuous contribution to the economy of South Africa. The study provides an insight into SAB management and serves as a guide to monitoring SAB services to customers.

1.9 Summary

This chapter has introduced the research topic and the overview of the study. The next and following chapters contribute to increased understanding of this research. In chapter two the concepts of the marketing discipline relevant to the study are discussed. The characteristics, models, measurements and theories of the concepts of customer satisfaction, perceptions and service quality are reviewed using previous studies, journals articles, internet articles and books.

Chapter Three presents the scientific methods used in this study to gather information from an appropriate sample and explains and demonstrates how the research was carried out in order to draw valid and reliable conclusions. The research design, the construction of the instrument and administration of the research instrument, is presented in this chapter.

Chapter four presents the results in terms of descriptive statistics and inferential statistics. The Likert scale would be used as a measurement of service quality and presented using Bar graphs.

Chapter Five and Chapter Six present discussions, recommendations on how the problem can be solved and lastly, the findings and conclusions of the research are presented.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The chapter provides an overview of and an integrated framework for service quality and customer satisfaction. The theoretical framework and models of these concepts serve as the basis for this research. This literature review focuses on models, the measurements of these concepts and theoretical views. The aim was to determine how an organisation can achieve the highest levels of customer satisfaction through superior service quality in order to remain sustainable, competitive and to increase market share. This chapter identifies factors that influence customer dissatisfaction. Various schools of thought and dimensions of service quality are presented with the aim of identifying a suitable dimension of service quality. This study draws upon various books, articles and journals to explain the theories, views and models of these concepts.

2.2 Service

A service can be defined as the intangible activities that take place due to interactions between customers and organisation employees or resources of the service provider. These activities are used as means to provide solutions to customer queries (Gronroos, 2000 cited in Siddiqi and Omar 2011). A service is an important component of customer satisfaction (Ryu, Lee & Kim 2012). All manufactured products have a service component; a service that they need to perform. The service component of these products is that they should satisfy the needs of consumers in terms of taste, they should be delivered to customers at an expected and promised time and this in turn determines the quality of service offered. These criteria can either create or break down a service a connection between the service provider and the customer.

Consequently, it is important to ensure that customer's queries and problems about the product or service are resolved efficiently and timeously. Hence, a service represents the sum of functions and their related processes (Hernon, Altman & Ellen 2010). In support of Ryu, Lee & Kim (2012), Winer and Dhar (2011) argue that service interaction between customers and providers of services should not be undervalued as a significant factor in customer

satisfaction. This suggests that the service offered to customers has a significant effect on customer satisfaction. Many companies are now re-examining their approach to quality of service provided. It is clear that one way to handle the process of customer interaction is to capture customers' opinions and experience in order to design products and service processes (Wilson, Zeithaml, Bitner and Gremler 2012).

Firms also use services as a competitive advantage that distinguish the company from the competition and could use that service to develop long-term relationships with customers. The major problem with the increasing competition is that all competitors involved in the market, have the ability to provide core products. As a result it becomes very hard to attain differentiation that is grounded on product characteristics. Winer and Dhar (2011) state that to differentiate, companies need to go beyond customer expectations by delivering outstanding service and high service levels that cannot be matched by competitors. For example, if the customer is promised that an order will be delivered within a certain period of time, or, that a technical problem will be attended to and fixed within a guaranteed time, such guarantee if delivered upon, can separate a company from the competition.

In addition to the above, Grönroos & Christian (2011), state that service providers could also go beyond offering a service by getting involved in customers' business practices. This shows customers that they are appreciated which leads to retaining and satisfying customers. In addition to this, satisfying the customer first time around is crucial to business relationship (Winer and Dhar 2011). Highly satisfied customers lead to more profit gains. The hours the service is open serves as an indication of the organisation's dedication and commitment to customer satisfaction. Service is the backbone of any business.

The above information reveals that in a service environment it is essential to identify a service component as a competitive advantage that will create value for the organisation to become sustainable. However, in identifying what service actually is, one has to go further and one has to differentiate between services and goods. Naik (2010) also suggested it is difficult to measure service quality

because it has exclusive features. The key difference between services and manufactured products can be elaborated on by identifying these features or characteristics of services.

2.3 Characteristics of Services

Naik, Gantasala & Prabhakar (2010), state that services and products are the two main concerns of a business. Services are characterised by intangibility, inseparability, variability and perishability of production and consumption. These four key characteristics differentiate a service from goods/products and they were identified by Kotler in 2000. They were later identified by Mudie and Pirrie in 2006 cited in Siddiqi and Omar (2011) as traits of services.

❖ **Intangibility**

The distinguishing factor of the service from the product is its intangibility nature. A service cannot be calculated, measured, tried or proved and as a result most organizations find it problematic to capture how customers weigh the quality of their services (Mudie and Pirrie 2006).

The intangible nature of services makes it difficult for the service to be measured physically, as compared to the products (Irfan, Mohsin and Yousaf 2009). The intangibility of the service refers to the fact that it cannot be touched, cannot be held, smelled or felt and customers cannot experience the service until they purchase it. It is this nature of the service that distinguishes it products. Services are also materially based. On the other hand products are referred to as physical output of a business. Unlike services, products are tangible objects that exist in time and space. Products can be touched, examined and tested by customers before they are purchased. Products exist before they are sold. Manufactured goods are normally high in search attributes, meaning the customers are able to assess the product before purchase. Most services are characterised by experience or credence qualities. Credence qualities or attributes are difficult to determine even after consumption, they require people with experiential. Experience attributes can be assessed only after purchase.

❖ **Inseparability**

Inseparability refers to services that are created and consumed simultaneously. It also means that services cannot be separated from their providers. The sequence of production and consumption is what differentiates physical goods from services. The production, consumption and selling of services occurs simultaneously. Whereas goods, before they can be traded and consume, need to be created and stored.

❖ **Variability**

This is also known as heterogeneity, meaning that a service varies depending on the service provider. It also depends when and how it is offered. A service is also governed by the value of the connection between the customer and the organization. Services are a collaborative process, in other words, services are performed in front of the customer, which leaves no time to establish quality-control measures should something go wrong.

❖ **Perishability**

Services are perishable; they are performances that cannot be kept for later use (Slevitch & Oh 2010). These are services that cannot be inventoried, stored or warehoused. Unlike goods, services cannot be protected, warehoused or returned. Products are first created, then inventoried and sold. Despite these differences Slevitch & Oh (2010) argue that all products and services are viewed as a bundle of traits that influence buyer choice. However, the quality of service is extremely subjective to the opinion that the customer associates with the performance of the service. They further add that service is the backbone of every business and the success of the business is linked to the quality of services rendered to customers.

Siddiqi & Omar (2011) point out that to remain sustainable in a competitive market, organisations have to cultivate new strategies which will enhance customer satisfaction levels. Thus service quality becomes the most important aspect of service that needs attention.

2.4 Service Quality Concept

According to:

- Fogli (2006) cited in Siddiqi & Omar (2011, p.13) "service quality is a global judgment or attitude relating to a particular service"

- Liu & Chin-Hung & Chen (2010, p.1531) "service quality is a consumer subjective judgment of a service provided by the service provider (producer), according to the gap between their expectation and realistic perception of the service".

- Irfan, Mohsin and Yousaf (2009, p.1223) "service quality is a delivery of superior services to their customers according to their desire and expectations".

- Ladhar (2009) service quality is the determinant of profitability of business.

- Kassim and Asiah Abdullah (2010, .p353) "service quality is the customer overall impression of the relative inferiority/superiority of a service provider and its services and is often considered similar to the customer's overall attitude towards the company"

In a nutshell, service quality can be defined as an impression, opinion, view, expectation, perception and judgment, of what the customers attach to a particular service offered by an organisation. It the service provided is in accordance with what the customers expect to receive and meets their desires and needs, then that service is regarded as being of superior quality. A notable common factor with regard to these various definitions is that service quality is significant to the sustainability and profitability of the organisation. It is, therefore, crucial to examine the importance of service quality.

2.5 Importance of Service Quality

In an extremely competitive marketplace, it is commonly known that providing high-quality service is the key to gaining an advantage which in turn increases customer satisfaction levels (Ryu, Lee & Kim 2011). An organisation is strongly distinguished from competitors by offering high quality service. Service quality is vital in organisations because it enhances customer value and serves as a competitive advantage in a competitive environment as discussed below.

2.5.1 Service Quality and Customer Value

Deng, Lu, Wei, Zhang & Jinlong (2010) stated that customer value is a concept that embraces several instruments including, service quality. They argued that the buying choice of customers is subjective to a multiple consumption value dimension. They established a framework of five value dimensions: functional value, conditional value, social value, emotional value, and epistemic value. These values embrace customer value and have significant effect on customer satisfaction. According to Irfan, Mohsin and Yousaf (2009) the key objective of service quality is related to customer values. The objective of superior service and customer value is to build customer satisfaction, which is a crucial element in winning customer loyalty. The provision of good service quality has become a strategy for success in service organisations that cater for the needs and wants of customers.

Ladhari, (2009) places significant emphasis on service quality, customer satisfaction and its linkage with business profits. The perceptions of customers serve as the foundation to success regardless of theoretical notions of what generates quality service. The continued existence of the service industry in the global competition depends on the quality of service provided with the aim of enhancing customer satisfaction. It is, therefore, crucial to continuously invent new ways of offering and scrutinising service quality.

Mohsin and Lockyer (2010) also propose that organisations should engage customer needs in the interaction process by pursuing recommendations from customers. Mack (2000) cited in Mohsin and Lockyer (2010) stress the need that businesses should talk to their customers and should attempt to understand their expectations in order to keep them as customers which would increase profits.

2.5.2 Service Quality as a Competitive Advantage

Many organizations in the competitive market designed a strategy of service quality with the aim of building a competitive advantage due to dynamic business environment and changing roles of customers. Khan, Muhammad & Asif (2010) agreed that the changing roles of customers, together with the competitive and changing standards of business, have made organizations place

top priority on the delivery of quality of services. Organizations use Customer-focused strategy as a means for competitive advantage and ultimate survival. Thus measuring customer's perceived service quality, has become a strategy to design a customer-oriented organization

.

Ladhari (2009) states that superior service quality empowers an organization to distinguish itself from the competition in order to remain efficient and sustainable for a long term. The significance of service quality is further illustrated by Ladhari (2009) in terms of its benefits.

2.5.3 Benefits of Service Quality

Hu, Kandampully and Juwaheer (2009) state that providing superior service quality and producing more customer value has its own benefits. Excellent service quality enhances the opportunity for organisations to remain economically competitive. Superior service quality leads to high levels of customer satisfaction and maintenance of existing customers. Customer satisfaction in turn leads to increased profitability and enlarged market share (Omar, Musa & Rhosida, 2011). Improved service quality may be achieved by understanding and cultivating functional processes; an ability to identify difficulties rapidly, analytically and most importantly, by instituting valid and reliable performance outcomes. In order to determine an appropriate measure for this study and to draw valid and reliable results, various service quality measurements were examined.

Liu & Yen (2010) point out that Parasuraman, Zeithmal & Berry (1985) proposed, from the perspective of consumers, that it is harder to assess service quality than product quality. They argue that perception of service quality is the gap between expectation and perception, and it is the evaluation of not only the service outcome, but also the service delivery process. Liu & Yen argue that with the physical appearance of intangibility, heterogeneity, perishability, production and consumption, a strategic tool of measurement should be adapted.

2.6 Service Quality Measurements

Liu & Chin Hung (2010) state that Nakhai and Neves (2009) found that the evaluation of service quality embraces delivery process assessment of the service. Chuang (2010) cited in Liu & Yen (2010) stated that the measurement of service quality allows companies to understand their position in the industry and it provides a strategic tool to enhance its competitiveness (Khan 2010). Measuring the quality of service enables companies to identify areas of strength and areas that require improvements. Companies are then able to develop strategies that address customers' needs. (Khan, Muhammad & Asif 2010).

Khan (2010) argued that the quality of service from customer's perspective needs to be studied with a view to simplifying its measurement. This makes it necessary to examine and discuss various measurements that provide customer's perspective. The measurements provide insight into the quality dimensions that a particular organisation under investigation needs to consider to remain competitive in a changing environment.

2.6.1 SERVQUAL

SERVQUAL was developed to measure quality across a wide-range of services. It measures a gap between what customers anticipate about service quality from the suppliers of the service, and their actual performance evaluation of that particular service supplier. As demonstrated by Jemmasi, Strong, Taylor, Steven A (2011) in terms of the equation: Servqual = Factors (Performance – Expectations) the SERVQUAL dimensions capture how consumers distinguish performance, based on these dimensions.

Liu & Yen (2010, p.1531) state that "Through repetitive surveys and analyses, Parasuraman et al. (1988) established dimensions into five, including (1) tangibles, (2) reliability, (3) responsiveness, (4) assurance, and (5) empathy."
These five dimensions are represented in figure 2 below.
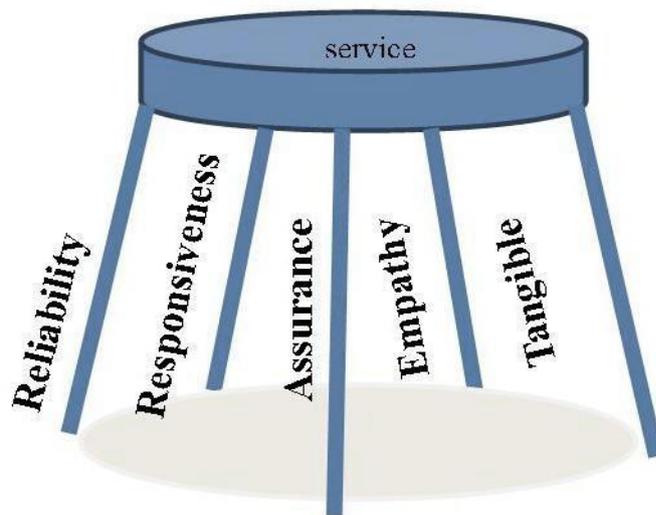
Figure 2.1 The five dimensions of service quality

Adapted from McDaniel, C., Lamb, C.W. and Hair, J.F. 2008. Introduction to marketing.9th Edition. Ohio: Thomson/South-Western.McDaniel, p338.

Kim, Yu Kyoung Lee, Hyung Ryong (2011) indicate that a vital approach for a company's sustainability in a competitive industry is to improve the quality of service. According to Parasuraman (1988) five dimensions of perceived service as demonstrated in figure 2.1 above are characterised as follows:

2.6.1.1 Tangibles
Tangibles comprise physical appearance such as physical facilities, equipment, personnel and written materials, appearance of the employees and meal service.

2.6.1.2 Reliability
Reliability refers to the service provider being able to execute the promised service in an accurate and dependable manner, offering punctuality and convenience. Reliability is mainly concerned with examining whether or not the service was delivered as promised.

2.6.1.3 Responsiveness
Responsiveness is linked to the readiness to assist customers to resolve service complications, responding timeously to emergency conditions, as well as rapid and precise deliveries. It is basically about showing customers willingness to

help them and to provide speedy service. The company is able to offer prompt service, especially when customers have problems that need to be resolved. Being reliable also requires the organisation to develop a service that is centered on showing concern for customer requests and desires that would increase customer satisfaction and loyalty.

2.6.1.4 Assurance

Employees in the organisation must be willing to demonstrate courteousness towards customers in order to instill confidence and trust. Assurance is associated with the competence to inspire trust and confidence to customers and displaying knowledge when answering questions and addressing queries.

2.6.1.5 Empathy

Empathy is the service measurement that emphasises personalised attention. Characteristics such as caring, good communication, customer empathy and personalised attention should be demonstrated to customers. It represents the degree to which a service is personalised to meet the needs of the individual customer. This dimension is a significant measure of service quality.

2.6.2 The Gap Analysis model (Gaps in Perceptions of Quality)

It is important to manage the gap that exists between expectations and perceptions on the part of the management, customers and employees. As indicated in figure 2.2, the most important gap is gap 5, that is, between customer expectation of services and their perceptions of service quality delivered. To manage this, the service provider must close the other 4 gaps that inhibit the delivery of service quality. The gap measurement is the significant tool. The SERVQUAL model further concentrates on five gaps for measuring service quality and customer satisfaction as demonstrated in the figure below (Siddiqi & Omar 2011).
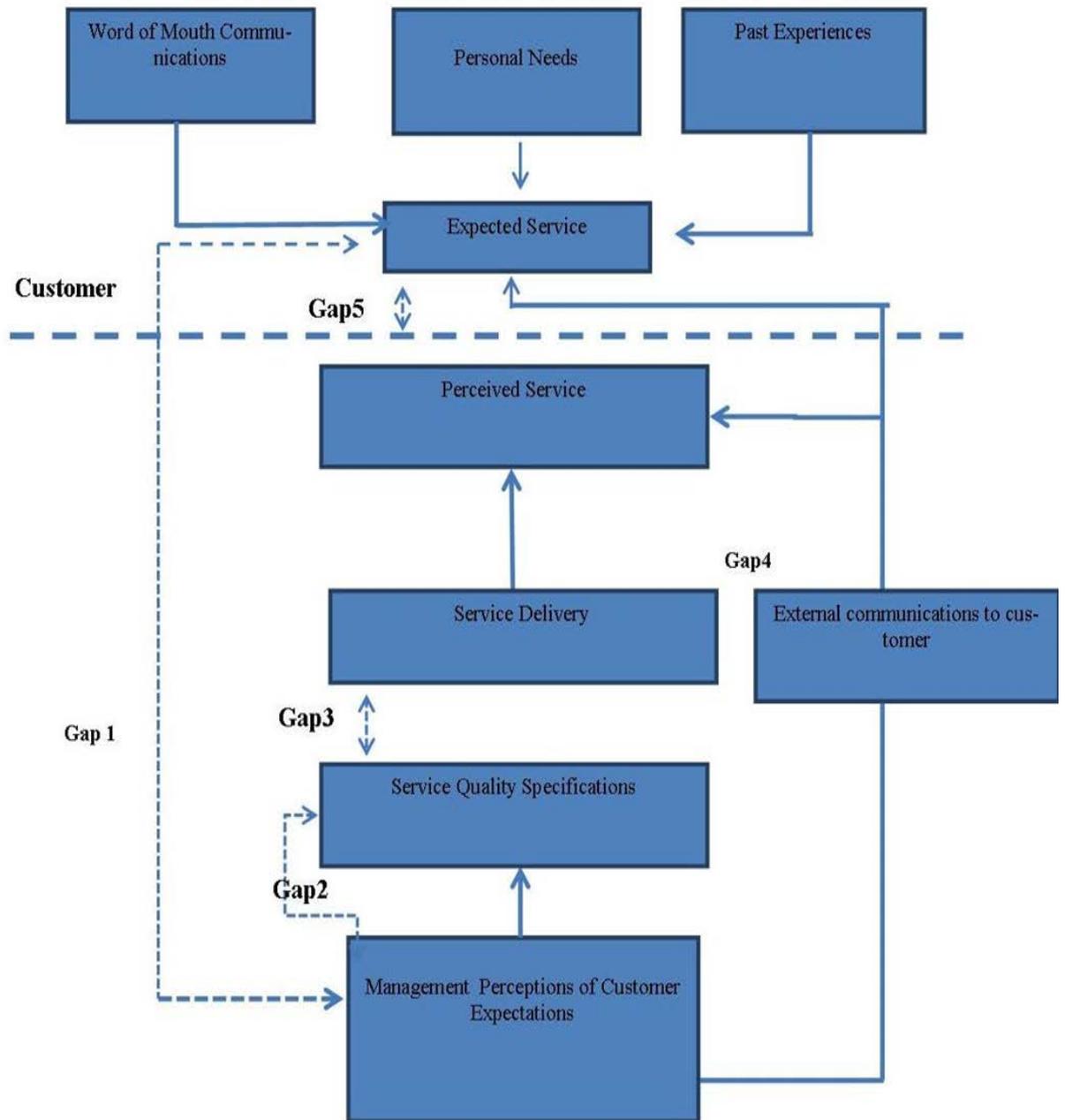
Figure 2.2 The gaps model of service quality
Adapted from Parasuraman, A., Zeithaml, V. and Berry, L.1985.'A conceptual model of service quality and its implication for future research', Journal of Marketing, p44.

Gap 1: The first gap represents the inconsistency between the perceptions of management about the expectations of customers and the actual expectations of customers. Management must predict the customer's expectations from the service to be delivered. According to Parasuraman, Zeithaml and Berry (1985),

this is the most important gap of the SERVQUAL model because the managers of organizations are able to identify customer's views and ideas about the services. Subsequently, the management of the organisation can implement possible remedies for identified deficiencies.

Gap 2: The second gap represents the consistency between what the organisation considers to be the expectations of customers and the real conditions they generate for service delivery.

Gap 3: The third gap represents the inconsistency between service quality conditions and the actual service delivered. When the staff is unable to perform or offer a service that is expected or desired by customers, this leads to a lack of teamwork and as a result it creates dissatisfied customers.

Gap 4: The fourth gap represents the difference between the promises of the organization to customers and the actual service delivered. This is caused by poor communication between the employees and customers as well as over-promising customers about the service.

Gap 5: The fifth gap represents the inconsistency between what customers expect to receive from the service, and what they believe they actually receive. Perceptions of customers are derived from many sources including communications that take place between the service provider and the customer, individual needs and customers' past experiences.

Kassim & Asiah Abdullah (2010) pointed out that the SERVQUAL model has been the most widely and effectively used evaluation of service quality. Nevertheless, SERVQUAL has been criticised with regard to its dimensions in that they are impossible to apply across various or all markets.

2.7 SERVPREF Model

Due to continual research undertaken regarding the measurement of service quality and the questioning of SERVQUAL by many scholars, Cronin and Taylor introduced, in 1992, a model called SERVPERF. This model uses service

quality performance as a measure of service quality and it is believed to yield better results that are reliable and valid. Some other studies including Zeithaml (1993) and Parasuraman (1996) also maintained that "SERVPERF is more accurate than SERVQUAL in the measurement of service quality, and SERVQUAL can provide better diagnostic information" (Kuo, Wu and Deng, 2009, p.888). It encompasses the same areas employed in the SERVQUAL model. Its context is constructed on the performance theory and it is an adaptation of the SERVQUAL model. SERVPREF is only differentiated from SERVQUAL in that in SERVPREF customer expectations are not taken into account. SERVPREF only measures customer perceptions of service performance. Thus SERVPREF does not have the disconfirmation scale, which measures the gap between expectations and perceived performance of service. In this instrument, customers rate their perceptions of performance of the same attributes that are covered in the SERVQUAL model.

SERVQUAL dimensions are relevant to the SERVPREF model. In 1994 Cronin and Taylor maintained that through SERVPREF managers were able to obtain an overall service quality score, which could then be strategised in relation specific customer divisions related to consumer features. The SERVPREF is, therefore. An important tool that measures the overall service quality attitudes of service managers.

2.8 Retail Service Quality Skills Model (RSQS)

The Retail Service Quality Model (RSQS) model was established by Dabholkar Thorpe & Rentz (1996) cited in Omar, Nor Asia Musi and Rhosida (2011,) as an evaluation instrument of service quality in retail settings. The RSQS model is suitable for retail businesses which offer services and products. RSQS models consist of dimensions and sub-dimensions. The authors suggest that RSQS integrates five major dimensions, namely: physical aspects, reliability, personal interaction, problem solving and policy. According to Dabholkar cited in Omar, Nor Asia Musi and Rhosida (2011, p.761) "the six sub-dimensions consist of appearance, convenience, promises, doing it right, inspiring confidence and courtesy." This scale has strong validity and reliability and can adequately capture customer perceptions of retail service quality. RSQS employs

performance-based measures only. Other authors who established a study based on retail supermarkets were Va´zquez and Mehta (2001). They contributed to the work of measuring service quality in the retail context. Other researchers including Omar, Nor Asia Musi and Rhosida (2011) revealed that service quality in the retail context as having four dimensions, namely: physical aspects, reliability, personal interaction and policies.

After a vigorous examination of all service quality measurements, a suitable service quality measurement for measuring service quality is still SERVQUAL because it can be modified. Mohsin and Lockyer (2009) suggest that regardless of efforts placed into generating quality service, it is the perceptions of customers that really matter and that could enable organisations to enhance customer satisfaction levels.

2.9 Customer Satisfaction
2.9.1 Definition
Pollack & Leisen (2009) define satisfaction as a judgment that a service offers an acceptable and pleasurable level fulfillment and experience. Liu & Yen (2010) described customer satisfaction as a complete perception and evaluation of a service or product by the customer satisfaction, as an overall perception that can be directly measured, and consumers will compare the result with ideal criteria. Satisfaction is an overall judgment of a product made through an evaluation of quality and benefit as well as cost and effort.

McDougall & Levesque quoting from Hu, Kandampully and Juwaheer (2009) define customer satisfaction as a sentimental reaction that occurs in response to a single or prolonged set of service encounters. It is also viewed as the overall assessment of the service provider with future intentions of returning to the service provider. The above definitions confirm that customer satisfaction is a measure that involves the customer's general feelings towards the service provided by the organisation.

According to Mandal and Bhattacharya (2013) customer satisfaction is fundamental to long-term sustainability and competitiveness of any organisation.

According to Siddiqi & Omar (2011) many organisations are concentrating on retaining a loyal customer base. In a competitive market organisations strive to invent strategies that enhance high satisfaction levels and loyalty of customers through the quality of service.

2.9.2 Significance of Customer Satisfaction in Organisations

Competition and changes in commercial settings has made it challenging for companies to sustain growth and profitability levels in the long term. A large percentage of sales derive from repeat purchases. As a result, satisfied customers have become important to companies. Organisations are unable to preserve sales capacities and profits by looking for new customers but they have to adopt a protective approach that will enable them to keep existing and loyal customers. (Griffin, Gleason, Preiss and Shevenaugh 2012).

Griffis, Rao, Goldsby, Niranjan & Tarikere (2012) further state that evidence has shown that more companies are shifting their focus on delivering increased customer satisfaction in order to increase and improve firm performance. In support of this statement an analysis of the Strategic Planning Institute's profit impact of marketing strategies (PIMS) database, found that companies that rated themselves as delivering high levels of service quality dramatically outperform, in terms of reported profitability and market share, than those firms that admit to delivering lower levels of service quality.

According to Winer and Dhar (2011) customers' repurchasing behaviour is an indication of customer satisfaction whereas dissatisfied customers are unlikely to return. Many global organisations are expending significant amounts of money on assessing customer satisfaction and on discovering its effect on their business operations for sustainability.

Superior customer satisfaction has also been connected to higher revenues and faster company growth. The measurement of customer satisfaction is not possible unless the factors leading to customer satisfaction are determined. For this reason, the factors leading to customer satisfaction need to be defined.

Mandal, Bhattacharya & Sujoy (2013) state that organisations should maintain long-term healthy relationships with customers and keep the significance of customer satisfaction in place. Customer satisfaction levels need to be judged. The application of the knowledge of customer satisfaction is vital in forming and sustaining a stable relationship with customers and long-term competitiveness. Retail is a high-involvement industry.

Siddiqi & Omar (2011) further stated that companies involved in a competitive environment,t keep their focus and device strategies which ensure that a loyal customer base and customer satisfaction is maintained This statement also confirms that for organisations to remain sustainable, they should invest in retaining existing customers because seeking a new customer base is expensive. Service quality is the most effective strategy to retain customers and to maintain a long-term and profitable relationship with them.

Customer satisfaction is a fundamental concern in the retail industry due to its imperative role in business performance and finally in the existence of the organization (Slevitch & Oh 2010). The more the competition, the higher the necessity to keep customers satisfied (Mandal, Bhattacharya & Sujoy 2013). It is, therefore, important to understand factors that might affect customer satisfaction in the retail liquor sector to ensure the continued existence of the business. It is also crucial to study the dimensions of customer satisfaction. It is thus important to understand the ranges of customer expectations and consequences which need to be assessed.

2.9.3 Factors Affecting Customer Satisfaction

Hanif, Hafeez, Riaz & Adnan (2010) noted that aspects that affect customer satisfaction should raise concerns for any organisation in the retail industry. Through customer satisfaction any organisation can form a long term profitable association with a customer. The cost of obtaining lost and new customers is higher than retaining existing customers. Hanif, Hafeez, Riaz & Adnan (2010, p.44) further stated that "factors affecting customer satisfaction is of importance in order to know the reasons or the factors, which are responsible in creating satisfaction among customers of a particular brand." Thus customer satisfaction

is created when the service offered accomplishes the needs and desires of customers. Estiri, Hosseini, Yazdani, and Nejad (2011) conducted a review of an integrated set of qualities which are capable of measuring customer satisfaction. The findings from this study reveal that customer satisfaction depends on two major factors, value proposition quality and service delivery quality. However, several factors have been found by various researchers to have an impact on customer satisfaction using different types of analyses. Singh and Kaur (2011), Ganguli and Roy (2011), Kanning and Bergmann (2009) determined the factors that have an impact on customer satisfaction. Major factors include reliability as having a main effect on the overall customer satisfaction. Performance, customer service and customer expectations also had an impact on customer satisfaction.

2.10 Customer Satisfaction Models

To date it is still not very clear which model is the most applicable for determining customers' satisfaction/dissatisfaction judgments in different situations. However, this study will focus on only two applicable paradigms: the dis-confirmation paradigm and the performance-only paradigm (Martínez-tur, Tordera, Peiro, Potocnik, & Kristina 2011).

These two paradigms underpin customer satisfaction in relation to service quality. The Expectation Disconfirmation model was derived from the disconfirmation paradigm and The Perceived Performance Model was derived from the performance only paradigm. Although there are some other prominent paradigms existing in the literature, as mentioned above, the use of the dis-confirmation and performance-only paradigms have been widely accepted in customer satisfaction literature in different contexts. The study will focus on these two dominant paradigms, based on expectancy dis-confirmation and performance theories, to determine the best means to measure and predict customer satisfaction from the service quality perspective. These models are largely a construct of the individual customer and therefore, the retail sector is suitable for the expectancy dis-confirmation theory and performance theory. In this sector service quality is regarded as that which satisfies customers.

2.10.1 Expectation Confirmation / Disconfirmation Model

Martínez-tur, Tordera, Peiro, Potocnik & Kristina (2011) note that this model was introduced by Oliver in 1998 based on studies of customer satisfaction in the retail and service industries. The level of satisfaction is determined by the direction of disconfirmation. Customers evaluate a service by comparing the quality and functions of the service based on their perceptions and expectations formed about the service. If the service does not perform according to their perceptions and expectation, disconfirmation and dissatisfaction occurs.

According to Winer & Dhar (2011, p.227) "the basic customer satisfaction model is often called (the) Expectation Confirmation /Disconfirmation Model." This model assumes that levels of customer satisfaction with a service are determined by how well the service is performed relative to what the customer expected. The figure below illustrates how satisfaction is formed.
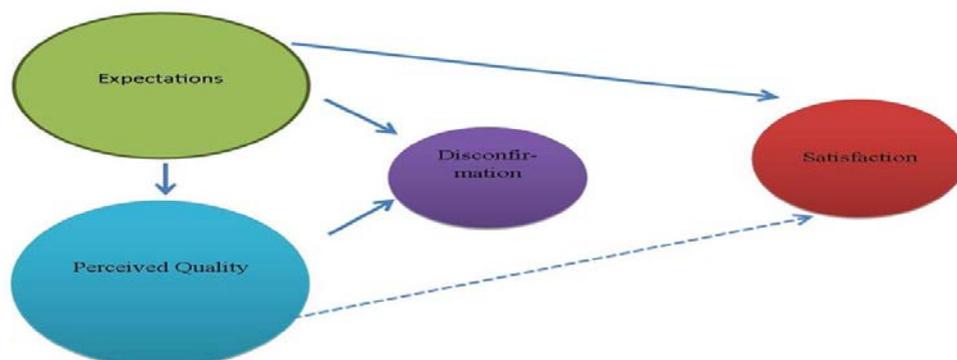
Figure 2.3 Disconfirmation Theory

Anderson, E.W. and M.W. Sullivan (1993)."The antecedents and consequences of customer satisfaction for firms." <u>Marketing science</u> 12(2): 125-143.

The above figure shows that the customer is presumed to form an expectation or prediction about the product's performance. This expectation is formed from a variety of sources of information including past experiences with the service or product. If the service meets or exceeds the customer's expectations, the customer is satisfied to different degrees. Obviously, if the product just meets expectations, satisfaction is less than if the service goes way beyond expectations. Any performance below expectations results in a dissatisfied customer and dis-confirmation. The customer forms perceptions of on how the

service actually performed also known as perceived customer satisfaction or quality or experienced quality.

Siddiqi, Kazi Omar (2011) point out that the customer satisfaction model explains that the feelings of satisfaction rise when expectations of the service are compared with their perceptions. Inconsistencies that might occur between the expectations and the performance generate disconfirmation. Three types of disconfirmation were identified by Olivier in 1980. The Positive, Negative and Zero Disconfirmation (Siddiqi, Kazi Omar 2011).

- The Positive arises when a service performance surpasses expectations. These customers' satisfaction levels are very high.
- The Negative happens when a service performance is lower than expectations. These customers are extremely dissatisfied
- The Zero arises when product or service performance matches expectations.

Martinez-tur, Tordera, Peiro, Potocnik & Kristina (2011) also support this theory by confirming that to ensure customer satisfaction, organisations should create a climate of service excellence. It is apparently clear that the essential factor of customer satisfaction is service quality, as a result organisations in the service industry favour the expectancy dis-confirmation theory and performance theory. Service quality is regarded as that which satisfies customers.

2.10.2 Perceived Quality/ Performance Model

Kim & Yu Khuong (2011, p.236) stated that this model focuses on the relationship between perceived service quality and customer satisfaction. Furthermore the authors state that "perceived service quality refers to the customer subjective response to the discrepancy between prior expectations and actual perceptions of the service delivered. Customer satisfaction, which is an holistic concept, represents the resulting overall affective response after consumption and can range from dissatisfied to satisfied." Perceived quality has an optimistic effect on satisfaction with service value. Basically customers perceive service quality as a long-run overall judgment of service delivery.

Meanwhile, the range of customers' needs controls the degree of perceived service quality.

According to Mandal, Bhattacharya & Sujoy (2013) customer satisfaction inevitably involves the attitude of the customers. The authors also add that customer satisfaction can be measured through customer expectations measurements. The Service Quality dimensions help researchers to determine whether customers have received a good service from a supplier or not. Customer perceptions play a greater role in assessing quality. (Winer & Dhar 2011).

2.11 Customer Satisfaction Theories

There are three theories that provide a basis to understand service encounter processes and outcomes. These theories are critical to service interaction management (Bradley, McColl-Kennedy, Sparks, Jimmieson, Zapf & Dieter 2010). Service interaction processes are crucial in improving service delivery and to ensuring that customers are satisfied.

2.11.1 Equity Theory

According to the equity theory when a given party feels that the ratio of the outcomes of a process is in some way balanced with cost, time and effort, satisfaction occurs (Grissemann & Stokburger-Sauer 2012).

2.11.2 Attribution Theory

This theory focuses on elements that determine the effect of attribution on satisfaction. It contends that satisfaction occurs when the service offered fails to meet expectations leading to dissatisfaction. These elements consist of controllability and locus of causality to determine the effect of attribution on satisfaction (Bradley, McColl-Kennedy, Sparks, Jimmieson, Zapf & Dieter 2010).

2.11.3 Performance Theory

This theory contends that customer satisfaction is directly linked to the perceived performance characteristics of services. According to Grissemann & Stokburger-

Sauer (2012) customers directly associate satisfaction levels with the objectively perceived performance of the product/service.

However, most researchers agree that the primary model of customer satisfaction is the expectation-disconfirmation model. Even though the underpinning paradigms of these equity and attribution theories present a better method by which to form customer satisfaction, they have not received the same level of attention in the prevailing literature as the expectancy disconfirmation theory and performance theory. Although these other theories show potential, the equity and attribution theories have not been thoroughly researched in the different contextual surroundings. The expectancy disconfirmation and performance theories, however, have been extensively applied in a vast array of research studies in various areas of academic interest. They have further proven their enhanced applicability in modelling service quality and customer satisfaction in different contextual settings.

From the foregoing discussions in relation to customer satisfaction theories, it appears that the performance theory may be more suited to modelling customer satisfaction in the liquor or retail industry, rather than the expectancy disconfirmation theory, because it stands to question whether or not customers have a clear perspective of expectations with regard to services. However, this leads to a new call for research studies in the disciplines of the retail and liquor industries, to determine which theory is best-suited to this research study.

2.12 Customer Satisfaction Measurement

According to Winer & Dhar (2011, p.421) "Customer satisfaction can be measured in a number of ways. The most common approach used by models is to use a scale to compare satisfaction, along a number of product or service dimensions, with competition and expectations". Most companies and researchers use a 4- to 5-point scale. Winer & Dhar (2011) also stated that when measures of satisfaction are found in terms of characteristics, the survey is usually concluded with questions based on the overall satisfaction. It is important to constantly observe these satisfaction measures overtime and to benchmark the results to the competition, in order to regulate developments in

different market areas and to ensure that customers are retained. This statement leads to the next valuable concept of service quality called loyalty.

2.13 Customer Loyalty

Pollack & Leisen (2009, p.45) define loyalty as "a deeply held commitment to rebuy or re-patronize a preferred product/service consistently, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. Loyal customers tend to show two behaviours: repurchase behaviour and favourable word-of-mouth, both are largely influenced by the perceived quality of the service and prior satisfaction." The author further adds that in service industries customers switch service providers for many service quality reasons, including inconvenience, core service failures, failed service encounters, and response to failed service encounters. Siddiqi & Omar (2011) pointed out that the cost of serving a loyal customer is five or six times less than a new customer. Gounaris, Dimitriadis, Stathakopoulos & Vlasis (2010) maintain that superior service quality leads to improved customer satisfaction. In other words, service quality is an antecedent of satisfaction with services.

2.14 Summary

In this chapter, measurements of service quality, characteristics of service quality and models of customer satisfaction were reviewed. Literature has revealed that offering superior quality service is important for the organisation's long-term sustainability in various ways. Providing the service according to customers' expectations and perceptions enhances customer satisfaction levels which in turn boosts the organisation's profitability because customer loyalty is promoted.

It is, therefore, important to constantly assess customer satisfaction levels with regard to the quality of service offered. Models such as SERVQUAL, RSQS, GAPS and SERVPREF can assist companies to assess the level of customer satisfaction or customer dissatisfaction with regard to service quality provided and to identify the shortcomings or problematic areas of service that could be amended to improve customer satisfaction. These models are used to capture

customers' perceptions about the quality of service and to identify areas of service with which customers are not satisfied. The aim is to improve and if possible, to eliminate those shortcomings. The next chapter covers the research methods that were employed in the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter reviews the research methodology used to gather information to answer the objectives and research questions of the study. It begins with outlining the aims and objectives of the study followed by a discussion of how the population and the sample were drawn. It also discusses data collection strategies employed, as well as the research designs and methods. It concludes by explaining the validity and reliability of this study and finally describing the analysis of data.

3.2 Aim and Objectives of the Study

The aim of the study was to assess whether customers are satisfied with the service quality offered by SAB. There is no doubt that liquor companies contribute to the economic development of South Africa. As such, the liquor companies play an integral role in providing the best possible service to its clients. This makes customer satisfaction with service delivery in the liquor industry a concept worth exploring for the long-term survival of these companies and for the economic growth of the country.

The objectives for undertaking this study are as follows:

Primary Objective

• To determine the level of customer satisfaction or customer dissatisfaction with regard to service quality offered by SAB

Secondary Objectives

• To identify the shortcomings that could be amended to improve customer satisfaction

• To determine if there is a relationship between service quality and customer satisfaction.

3.3 Participants and Location of the Study

Sekaran and Bougie (2011, p.262) stated that "surveys are useful and powerful in finding answers to research questions through data collection and subsequent analyses, but they can do more harm than good if the population is not correctly recruited". Data would be collected from people or objects that can provide correct answers to solve the problem. For both practical and financial reasons, it was not possible to include all SAB's depots throughout South Africa in this research. It was, therefore, decided to restrict and constrain the study to SAB Springfield, Durban. It should be viewed as a starting point for the assessment and the analysis of customer satisfaction relating to service quality in the liquor industry in South Africa. The target population for the study is discussed below.

3.3.1 Population

Participants of this study consist of liquor outlets (customers) which currently purchase and sell SAB products. These customers were owners and managers of:

➢ bottle stores
➢ taverns
➢ restaurants
➢ wholesalers

The study was physically conducted at liquor outlet premises that are under the services of SAB, Springfield Durban. These areas include Durban and surrounding areas. According to Sekaran & Bougie (2011) "the target population must be defined in terms of elements, geographical boundaries and time. The population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate." According to SAB's 2013 Database there are 140 customers served by SAB Springfield, Durban who currently purchase SAB's products for the purpose of resale as a retailer (SAB Database 2013). In this study the research was planned to determine if SAB Springfield customers are satisfied with the service provided by SAB. Therefore, the target population for this study included customers who purchase from SAB Springfield, Durban. Since it is impractical to obtain information from the entire population of interest, a specific sample was selected to actually participate in the survey.

3.3.2 Sampling Frame

According Sekaran & Bougie (2011) a sampling frame is a representation of all the elements in the population from which the sample is drawn. The 2013 database of the SAB Durban Plant containing a listing of all customers served as the sampling frame for this study. The sampling frame for this study was a current, correct, complete and up-to-date database. The sampling method used for this study is discussed below.

3.3.3 Sampling Method

Daniel (2010) identified probability and non-probability as two major types of sampling design. The probability sampling is the sampling in which the elements in the population have some known non-zero chance or probability of being selected as sample subjects. In non-probability sampling, the elements do not have a known or predetermined chance of being selected as subjects. Probability sampling designs are used when the representativeness of the sample is of importance in the interest of wider generalisability. When time rather than generalizability is critical non-probability sampling is used.

In this study probability sampling was adopted as a suitable type of sampling for the study because representativeness of the sample and generalisability of results was of importance. Probability sampling can either be restricted or unrestricted in nature. It was decided to apply restricted probability sampling also known as a stratified random sampling. Stratified random sampling allows the researcher to divide the population into meaningful, non-overlapping subsets and then randomly chooses the subjects from each subset. It involves a process of stratification followed by random selection of subjects from each stratum. The population was first divided into mutually exclusive groups that are relevant, appropriate and meaningful to the context of the study. In this study the population was stratified by geographical areas. Participants were randomly selected according to geographical areas. The following table gives a breakdown of participants' location. The sample for this study consisted of liquor outlets which are serviced by SAB Springfield only. Geographical areas were grouped with nearest areas to the core location as it appears below and a map attached (Appendix 4):

The table below depicts a sample breakdown that was used in the study.

Table 3.1 A Sample Breakdown of SAB Liquor Outlets

Location	No. of Customers	Percentage	No.of Respondents
KwaMashu	23	17%	18
Pinetown	39	28%	28
Clermont	23	17%	18
Durban	50	36%	36
Umhlanga	5	3%	3
Total	140	100%	103

As shown in table 3.1, the geographical area with most customers located next to it was Pinetown followed by Durban. Questionnaires were then physically administered to selected liquor outlet premises by the researcher together with the help of SAB's sales representatives. The next section discusses determination of sample size and data collection methodology.

3.3.4 Sample Size

In determining an appropriate sample size for this study, the researcher applied the Krejcie and Morgan (1970) table (Appendix 9). Krejcie and Morgan (1970) simplified the sample size decision by providing a table that ensures a good decision model (Sekaran & Bougie 2011). According to this table for a given population size of 140, a sample size of 103 is appropriate to give valid and reliable conclusions. Stratified random sampling was used to select participants as discussed above.

3.3.5 Representativeness of the Sample

A sample is a subset of the population. A sample also known as 'participants' comprises some members selected from it. The elements of the population form the sample. This statement indicates that the purpose of studying the sample is to enable the researcher to draw conclusions that are valid and reliable and which can be generalized to the entire population under study.

3.4 Research Design and Methods

The aim of a research design is to plan and structure a given research project in such a manner that the eventual validity of the research finding is maximised (Mouton & Marais cited in Blanche, Durrheim & Painter 2007). Research Methods provide information in order for management to make informed decisions about the key issues that face organisations operating in the competitive environment (Zikmund, Babin, Carr and Griffin, 2012).

In this study in deciding whether to use quantitative or qualitative research, the researcher had to understand the research methodologies and distinguish between the two research paradigms, in order to employ an appropriate method. The researcher had to consider the purpose of the research and the type of data that would achieve the purpose.

The qualitative methods allow the researcher to study selected issues in depth, openness and detail as they identify and attempt to understand the categories of information that emerge from data. Thus qualitative research tends to have open-ended questions.

According to Blanche, Durrheim & Painter (2007) quantitative researchers collect data in the form of numbers and use statistical types of data analysis. According to Daniel (2010) a quantitative approach is one in which the investigator primarily uses post-positivist claims for developing knowledge, employs strategies of inquiry such as experiments and surveys, and collects data on predetermined instruments that yield statistical data. A quantitative approach is one in which the investigator primarily uses cause and effect thinking, reduction to specific variables and hypotheses and questions, use of measurement and observation, and the test of theories claims for developing knowledge. A researcher employs strategies of inquiry such as experiments and surveys, and collects data on predetermined instruments that yield statistical data. The data developed is quantitative and numerical, highly specific and precise. In quantitative research, a larger sample size is utilised in the study. In quantitative research methodology reliability is high and validity low. This method generalises from the sample to the population (Saunders, Lewis & Thornhill 2009).

However, Alasuutari, Bickman & Brannen (2008) suggest that the decision of using quantitative or qualitative method should be restricted to how data are analyzed. Therefore this study followed a quantitative research methodology because data was collected and then ostensibly analysed statistically using descriptive and inferential analysis. The quantitative paradigm used employed personally-administered questionnaires. Furthermore, the quantitative method was decided upon because the purpose of the research was to assess customer satisfaction levels with regard to the service quality offered by SAB, Springfield. The quantitative paradigm is an appropriate research methodology to conduct an analysis of service quality dimensions which impact on the levels of customer satisfaction and dissatisfaction (Alasuutari, Bickman & Brannen 2008).

This study was also descriptive in nature in order to understand customers' perceptions about SAB service quality, to identify and describe the characteristics of SAB's service quality that could enhance customer satisfaction. Suryabrata (2003) cited in Naik, Gantasala, & Phabrakar (2010), defined descriptive method as "a method that describes the study systematically, factually and accurately utilising facts, behaviours and relationships between the phenomena being studied." The research describes the phenomena of service quality and customer satisfaction and it accurately gathered information through interviews with customers about their experiences of SAB service quality. This study also classified items of service quality with which customers were satisfied and dissatisfied. The study was also descriptive in that it was seeking accurate observations and it focused on validity and reliability of the observations and the representativeness of sampling. The findings of the study will enable SAB management to employ corrective steps that will ensure that the company remains sustainable.

3.5 Data Collection Strategies

This study was conducted in 2013 using data collected from respondents by self-administered questionnaires. From this population, a sample for the study was selected on the basis of stratified random sampling. Data was collected by the researcher over a period of two weeks. Potential respondents were personally approached at their outlets by the researcher. Self-administered questionnaires were used as means to collect information from 103 SAB Springfield clients.

Prior to requesting the participation of an outlet in the study, it was verified that the particular outlet was in fact a customer of SAB.

This study comprised both primary and secondary data. Primary data was collected first hand for the purposes of finding solutions and analysis to the problem being researched. SERVQUAL dimensions as developed Parasuraman, Zeithaml & Berryt (1988) and one dimension of RSQS as developed by Dhabolkar, Thorpe & Rentz (1996) were employed as means to collect primary data and to assess service quality and customer satisfaction.

Secondary Data is defined as data that has already been gathered by researchers (Sekaran and Bougie, 2011). In this study secondary data was collected from journals, articles, SAB website, books and previously conducted literature.

The SERVQUAL questionnaires (Appendix 5) were administered to respondents on a face to face basis. The letter of informed consent (Appendix 3) was attached to the questionnaire and the purpose of conducting the study was also explained verbally before the administration of the questionnaire. The survey was completed within three weeks and it was ensured that all questions were answered.

3.5.1 Construction of the Research Instrument

The research instrument constructed was a questionnaire survey which consisted of gathering data or information from respondents using a 5-Point Likert Scale. According to Grogoroudis (2010), a Likert scale is recommended to assess and measure customer satisfaction about the service delivery of the organisation. Surveys provide formal feedback to a company and send a positive signal to customers that the company is interested in them. For the purposes of this study a style of modifying SERVQUAL that was used by Khan (2010) was employed. In order to achieve valid and reliable findings he modified SERVQUAL and added two dimensions of network quality. In this study the five SERVQUAL dimensions of tangibles, reliability, responsiveness, assurance empathy were supplemented by the addition of one dimension of policy from Retail Service Quality Skills (RSQS) that was established by Dhabolkar, Thorpe & Rentz (1996).

Initially the intention was to use RSQS model as it was tested and validated to measure service quality in retail industry by Dhabolkar *et al* (1996), however, due to the fact that two dimensions of RSQS had to be eliminated because of irrelevance to the study, it was decided to use SERVQUAL. The dimensions of RSQS Model that were not applicable to this study included Physical Appearance and Convenience. Physical appearance consists of visually appealing physical facilities, visually appealing service material and modern-looking equipment. Convenience consists of store layout that makes it easy for customers to find what they want and to move around. SAB clients do not physically purchase at the depot, orders are placed telephonically and delivered directly, as a result these dimensions were eliminated. Using the combination of these models helped to identify which service areas have shortcomings and require improvement.

3.5.2 Questionnaire

This study used closed-ended questions. The advantage of closed-ended questions is that responses are easily coded for subsequent analysis. A Likert scale of 1 to 5 was used in the study. "1" represented that a customer strongly disagreed while 5 represented that a customer agreed with the statement on the questionnaire. According to this study 'strongly disagree' was represented the lowest level of satisfaction or dissatisfaction, whereas 'strongly agree' represented the highest level of customer satisfaction. The purpose of structuring the questionnaire this way was to ensure accurate measurements of customer satisfaction levels about the SAB performance.

The questionnaire consisted of three sections. The first part of the questionnaire dealt with respondent's assessment of service quality with reference to customer satisfaction at SAB in terms of SERVQUAL. The final SERVQUAL questionnaire used in this study consisted of 28 items.

➢ Dimension one was labeled as tangible and composed of four items. This dimension deals with equipment, personnel, and communication materials.

➢ Dimension two comprised of four items coded as R5 to R8 of SERVQUAL that related to the reliability of the company. The reliability

dimension included the ability to perform the promised service dependably and accurately.

➢   Dimension three was labeled as responsiveness. The items under this dimension were coded as RS8 to RS13. The statements under this dimension basically represent the service provider's willingness to help customers and provide prompt service to customers.

➢   Dimension four included an assurance factor that contained statements 15 to 18 coded as A14 to A17 which deals with knowledge and courtesy of employees of the service firm and their ability to convey trust and confidence.

➢   Dimension five was interpreted as empathy and comprised of statements 19 to 23 coded as E18 to E22 which involved the caring and individualised attention that a service firm provides to its customers

➢   Dimension six comprised of statement 24 to 28 coded as P23 to P27 related to policy dimension which represents the service provider's willingness to offer flexible and convenient working hours, flexible payment terms and enough delivery days.

The second section was intended to capture customers' opinions, comments and recommendations as to how SAB can improve its services in order to deduce valuable comments and to benchmark its services with those of major competitors. The third and final section consisted of demographic questions that gathered respondents' information with regard to gender, age, period of service relationship with SAB, type of business and nationality.

3.5.3 Recruitment of Study Respondents

In recruiting study respondents, the 2013 customer database of SAB Springfield, was used (SAB Customer Database 2013). The target population consisted of customers who purchase SAB products and the database was screened to ensure this was accurate. The reason for screening liquor outlets was to ensure that the selected liquor outlets (customers) were purchasing the products from and utilising services of SAB Springfield. The liquor outlets were therefore randomly selected according to the geographical areas as shown in Table 3.1

3.5.4 Pretesting and Validation

Alasuutari, Bickman & Brannen (2008, p.281) defined validity as "a degree to which a measure accurately represents what it is supposed to measure." Validity is concerned with how well the concept is defined by the measure(s). Several types of validity tests were used to ensure that the questions asked in the questionnaire measured the original.

Various types of validity tests are used to test the goodness of measures. There is content, criterion-related, predictive and construct validity. To ensure validity the research instrument was pretested on 10 participants to ascertain if the items were important and relevant to customers (liquor outlets). After the pretest, minor grammatical corrections had to be made so that questions were simpler and more understandable. This method was useful in determining if the questions would be understood by participants and how long it would take the participants to complete it. Pretesting also resulted in modifying tangible items. Some of the items were deemed inappropriate in terms of meaning to this study. It was inappropriate to ask customers about their satisfaction towards the physical appearance of SAB. The physical appearance of SAB is not applicable to the study because customers do not personally or physically visit SAB premises. Orders are placed telephonically and no collection is allowed. The relevant items included the friendliness, politeness and helpfulness of the staff.

3.5.5 Reliability

Reliability refers to the accuracy or precision of a measurement instrument. Scores must be reliable before they can be valid. Reliability is estimated as a function of inter-correlations among items on a test. It is a measure that indicates the extent to which the questionnaire is without bias and to ensure consistent measurement across time and across various items in the instruments. Several measures are used to establish the reliability of the instrument. There is split-half, test-retest, parallel-form, interim consistency and internal consistency reliability method (Sekaran & Bougie 2011). This study used multiple items in all constructs of measuring customer satisfaction levels with regard to service quality. So the internal consistency method was applied in this study to indicate the homogeneity of the items. This study showed that the items hang together

and are capable of independently measuring the same concept through Cronbach's Alpha Coefficient so that the respondents attach the same overall meaning to each of the items.

According to Sapsford (2007) Cronbach's Alpha Coefficient is a guarantee of assessing consistent reliability assuming that each item makes an equal contribution to the overall scale variable or score. In this study Cronbach's Alpha was calculated as a measure of internal reliability consistency. High internal consistency is demonstrated with Cronbach's Alpha Coefficient (CAC) with a higher score of more than 0.7. CAC reflects adequacy of the questionnaire.

As presented on SPSS version 17.0, the overall reliability of Cronbach's Alpha Coefficient of the questionnaire in this study was 0.882 which complied with the criterion proposed by Hair, Anderson, Tatham & Black (1998). According to Hair, Anderson, Tatham & Black (1998) Cronbach's Alpha Coefficient that is higher than 0.7 indicates reliability of the questionnaire. This was also stated earlier on by Nunnally & Bernstein (1996) that Cronbach's Alpha Coefficient should not be less than 0.7. Hence, the reliability coefficient of the questionnaire was within the acceptable level. Therefore, the questionnaire was consistent and stable which leads to valid findings.

The Kuder-Richardson Formula 2 (KR_{20}) is identical to the coefficient alpha but it is more suitable for dichotomously scored items and if all items have the same degree of difficulty the Kuder-Richardson Formula 21 (KR_{21}) is used (Alasuutari, Bickman & Brannen 2008, p.278). In this study the Cronbach's Alpha was used.

3.5.6 Administration of the Questionnaires

"A questionnaire is a preformulated written set of questions to which respondents record their answers. Questionnaires are an efficient way of collecting data. Questionnaires can be either self-administered or mailed to respondents" (Sekaran & Bougie 2011). In this study questionnaires were personally administered. According to these authors "the main advantage about this method is that the researcher can collect all the completed responses within a

short period of time." Any questions that are not clear to the respondents can be clarified on the spot. This method is also less expensive and consumes less time.

The questionnaires were personally administered to respondents. A letter of consent for confidentiality was also attached to the questionnaire. The purpose of the study was explained before administration of questionnaire in order for respondents to be better informed..

3.6 Analysis of Data

The data was analysed in line with the objectives of the study. Descriptive data included analysis in terms of frequencies, mean scores, standard deviation score, mode and median scores. Descriptive data was also analysed using pie chart and bar chart graphs as well as summarised tables. Measures of central tendency (mean), dispersion quantities, tables, charts and graphs are sufficient to describe, organise, summarise and present raw data (Curwin and Slater, 2008).

The primary objective of the study was to determine the level of customer satisfaction or customer dissatisfaction with regard to service quality. Therefore, the results of the survey were analysed using descriptive statistics. The Statistical Package for the Social Sciences (SSPS) version 17.0 was used as a technique to analyse quantitative data. The mean scores, median, standard deviation score and percentages were used to analyse data and assess the level of customer satisfaction according to the single items. Again the overall assessment of customer satisfaction was measured and analysed in terms of each dimension or composite scores to determine which dimension had the highest level of satisfaction, and which the lowest level of satisfaction.

The secondary objective was to identify any shortcoming that should be amended to improve customer satisfaction. Descriptive statistics were also used to identify the items that had lowest scores. Those items were the items and the dimension that customers were dissatisfied with and indicated failure. 'Strongly agree' represented high satisfaction with 'strongly disagree' representing lowest satisfaction levels. The dimension with the lowest score would be regarded as a shortcoming and needs more attention and improvement. Analysing customers' comments scientifically was essential in order for sound conclusions to be drawn and appropriate recommendations to be made.

Inferential statistics were also used to assess and analyse the relationship between customer satisfaction and service quality. To assess the reliability and relationship of variable and the items, Cronbach's Alpha coefficient was used and produced an overall score of 0.882. Cross tabulations were also used to compare results in terms of gender, age, location, race, type of business and the period the customer has been in business with SAB.

3.7 Summary

Chapter three has demonstrated that a quantitative research methodology was appropriate to measure customer satisfaction levels of SAB customers using a modified SERVQUAL questionnaire. The research instrument was discussed and presented as a suitable ideal tool to collect data that will produce reliable and valid conclusions. This chapter also explained in detail how the data collection instrument was formulated and designed. Drawing the sample from the population was also discussed with the demonstration of the table. The reliability and validity of the research instrument were tested. Lastly, several tests that were used to measure the variables were also discussed in the data analysis section. The information presented in this chapter is indicative that the study has the potential to provide valid foundation for future research. The presentation of findings is presented in the next chapter. In chapter five the results of data collected is presented in detail.

CHAPTER 4

PRESENTATION OF FINDINGS

4.1 Introduction

This chapter deals with the presentation of research findings. The analysis of results is presented in terms of descriptive and inferential analysis. This analysis consists of pie chart graphs and bar graphs. It begins with the presentation of descriptive analysis of SERVQUAL dimensions followed by the analysis of customers' recommendations regarding SAB service quality. This chapter is concluded by presentation of an analysis of the overall results of research as well as the demographic presentation.

4.2 Descriptive Results

Descriptive results would be presented according to the format of the questionnaire. The questionnaire began by assessing whether customers were satisfied with the service provided by SAB. It was able to determine this by employing five SERVQUAL dimensions and one dimension of RSQS. This also helped identify the characteristics or dimensions that were perceived to be important by customers to enhance service quality at SAB. The table below gives descriptive measures of five dimensions of SERVQUAL and one dimension of RSQS of service quality that were tested by the questionnaire.

4.3 Location of Respondents

Descriptive analysis in this study is presented in terms of frequencies to determine if customers were satisfied or dissatisfied with SAB service quality. The following graph gives a breakdown of respondents' location. A sample for this study consisted of liquor outlets which receive the services of SAB Springfield only. Each group, as it appears on the graph, comprised of the following:

Figure 4.1 Location of Respondents

Figure 4.1 shows the location of the respondents tested in the study. 17% of the respondents are situated in KwaMashu, 28% in Pinetown, 17% in Clermont, 36% in Durban and 3% in Umhlanga. The findings show that the sample was representative since it consisted of liquor outlets from surburban and township areas. Durban with 36% has the highest number of liquor outlets and Umhlanga with the lowest number of 3%. The findings show that the study covered all the areas that are under the boundary of SAB Springfield.

4.4 Descriptive Analysis of Demographic Questions

In addition to Customers opinions about SAB service quality and SERQUAL dimensions, customers had to answer the following demographic questions:

4.4.1 Gender

Figure 4.2 Gender

45
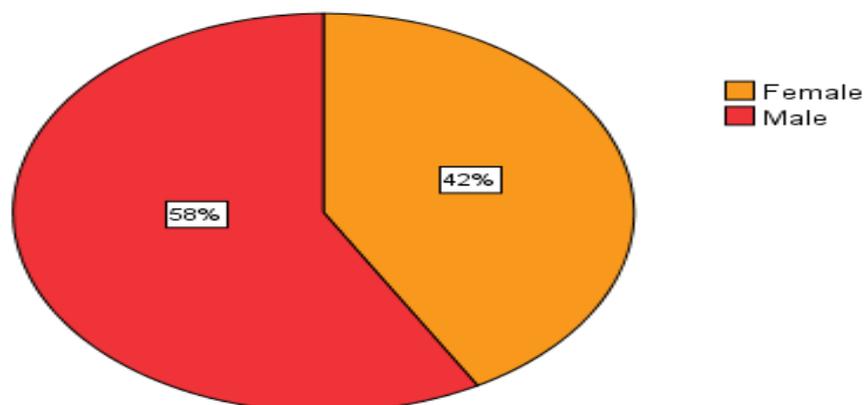
The pie chart above illustrates gender distribution percentage of customers who participated in the research and reveals that the sample was well representative of the population across gender. Some 58% of the sample consisted of males and 42% comprised of females. The number of male and female respondents was fairly and equally distributed.

4.4.2 Race

The pie chart below gives a breakdown of race groups of respondents who participated in the study.
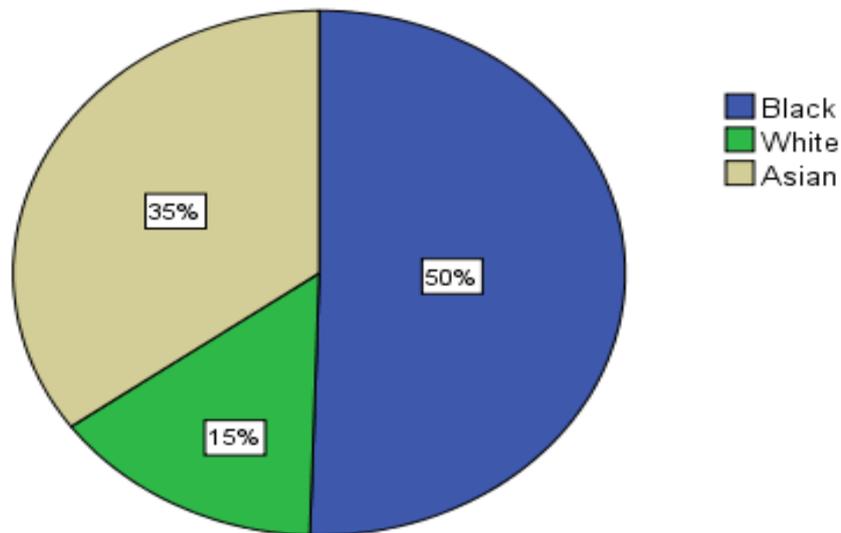
Figure 4.3 Race

Figure 4.3 shows that the sample was representative of all race groups. Some 50% of the race group is Black which indicates a large number of SAB customers, followed by Indians with 35% and lastly Whites with 15%. Race distribution results indicate that the Black group is the highest race group involved in liquor retailing whilst the White group is the smallest race group of customers at SAB.

4.4.3 Age

The bar graph below gives a breakdown of respondents' age groups.
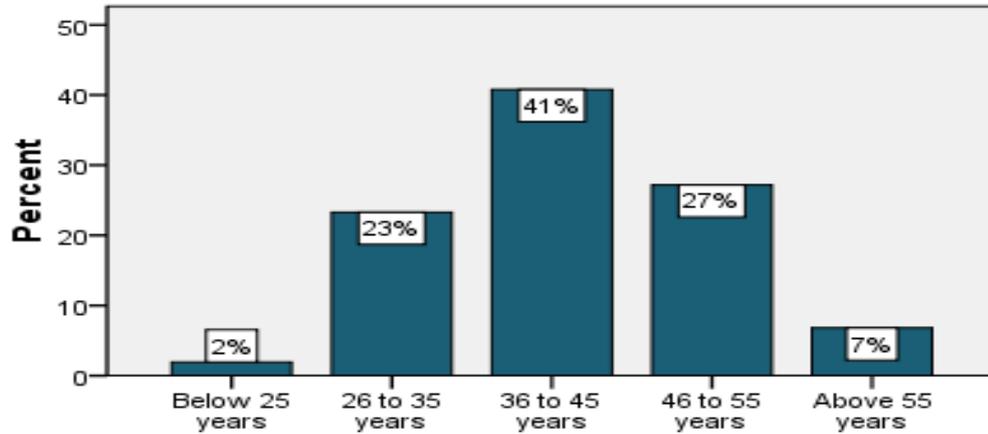
Figure 4.4 Age

This figure shows that different age groups were well represented in the study. Respondents represented customers from a range of ages. The lowest percentage of 2% was for respondents below the 25 years. A mere 7% percent of the respondents were above 55 years. Some 23% of the respondents was between the ages of 26 and 35 and 27% of respondents consisted of ages between 46 and 55. Lastly 41% represented customers between 36 and 45 years of age.

4.4.4 Period of Trading with SAB

This item was included to ensure that the sample consisted of customers who purchase SAB products and to have a mixture of old and new customers. The figure below gives a breakdown of the respondents' length of dealings with SAB.
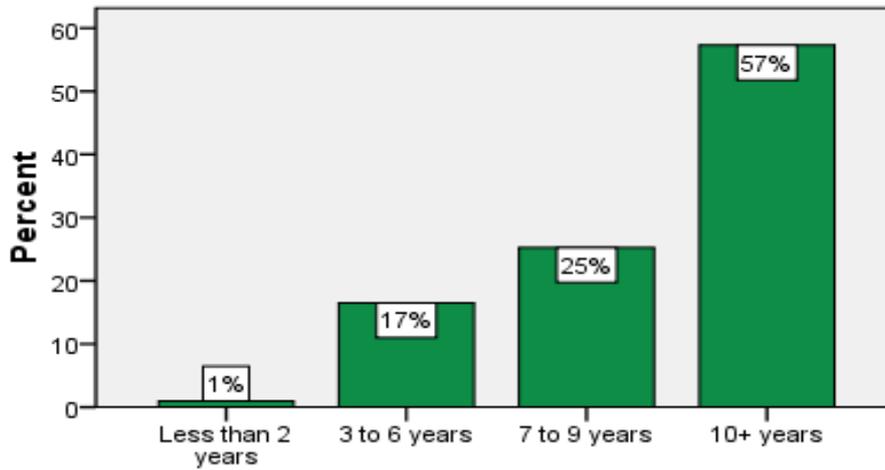
Figure 4.5 How long have you been purchasing from SAB?

The Bar chart above indicates that 57% of respondents currently purchasing SAB products have been doing so for more than a 10 year period. Some 25% of the respondents have been trading with SAB for between 7 to 9 years. A mere 17% of respondents had traded for between 3 to 7 years, while only 1% for less than a period of 2 years. These findings reveal that customers who participated in this research were well experienced regarding the service quality currently offered by SAB. These respondents did not have difficulty answering the questions, because they were familiar with the items asked in the questionnaire.

4.4.5 Business Type

This question was intended to show that the sample represented all types of business.
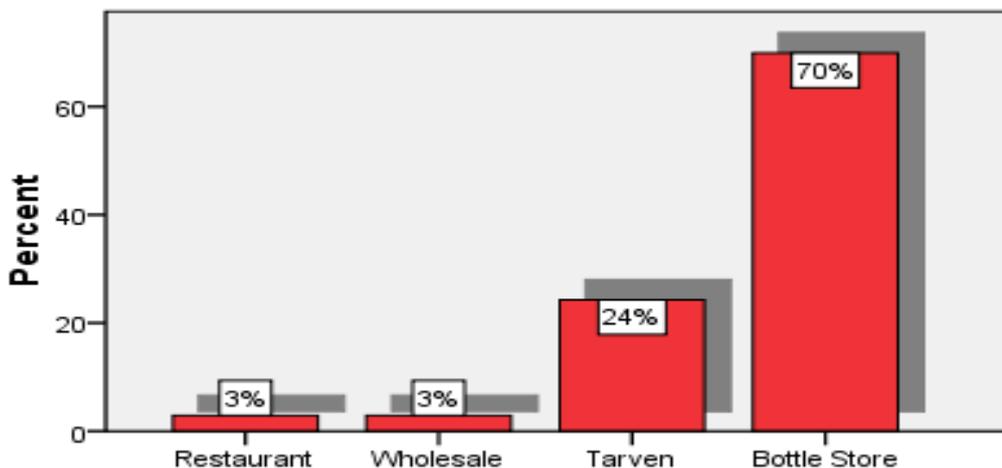
Figure 4.6 Business type

It is observed in Figure 4.6 that from a sample of 103, 70 % of the respondents own bottle stores. Bottle stores form the biggest part of the SAB client base, followed by taverns with a percentage of 24% while 3% consists of restaurants and wholesalers respectively. The sample was representative of all types of businesses.

4.5 Descriptive Measures of SERVQUAL Scale

4.5.1 The Tangible Dimension

The first dimension assessed the level of customer satisfaction regarding the range of products offered by SAB and communication with staff.

> ➤ **T1 : The range of products offered by SAB**

Figure 4.7 shows the breakdown of respondents' perceptions and satisfaction about the products offered by SAB. This item determines if customers were satisfied with product range of SAB.
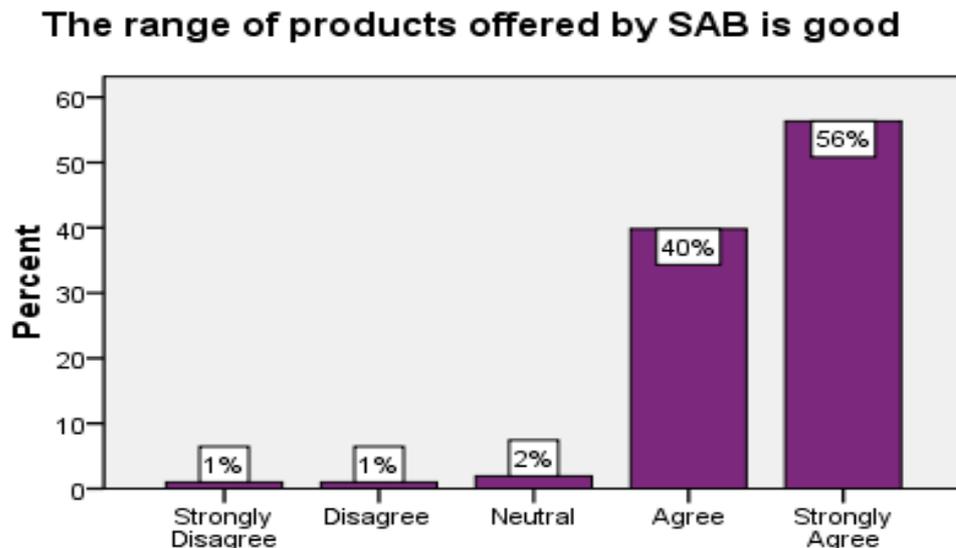
Figure 4.7 The range of products offered by SAB is good

The findings in figure 4.7 revealed that 56% of SAB liquor outlets are 100% satisfied with the range of products manufactured by SAB. A mere 40% also agreed that SAB offers a good range of products whilst only 2% were neutral,

1% disagreed and 1% strongly disagreed. The findings depict that more than half of SAB customers are highly satisfied with SAB products and only a few customers feel dissatisfied with their products.

➢ **T2 : The staff is friendly, profile and helpful**

This question assessed if customers were satisfied with the manner in which SAB staff communicated with them. Communication takes place when customers place orders, lay complaints and so forth. Figure 4.8 shows the breakdown of how satisfied the customers are with the service from SAB personnel.
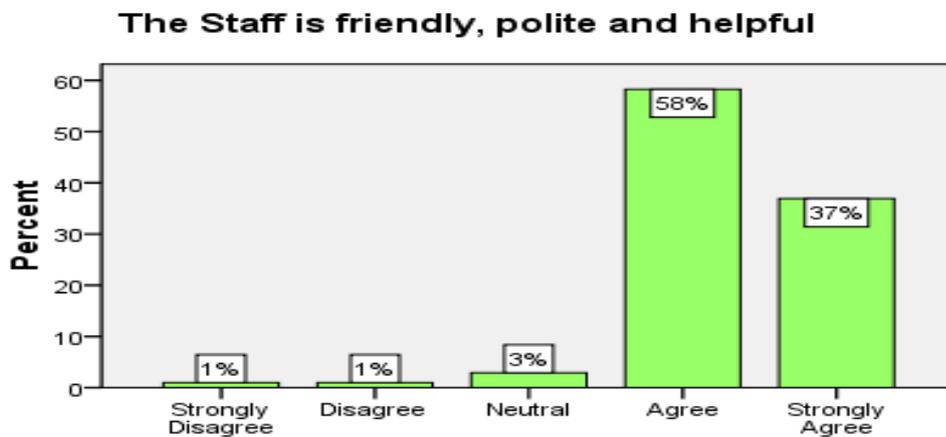
Figure 4.8 The staff is friendly, polite and helpful
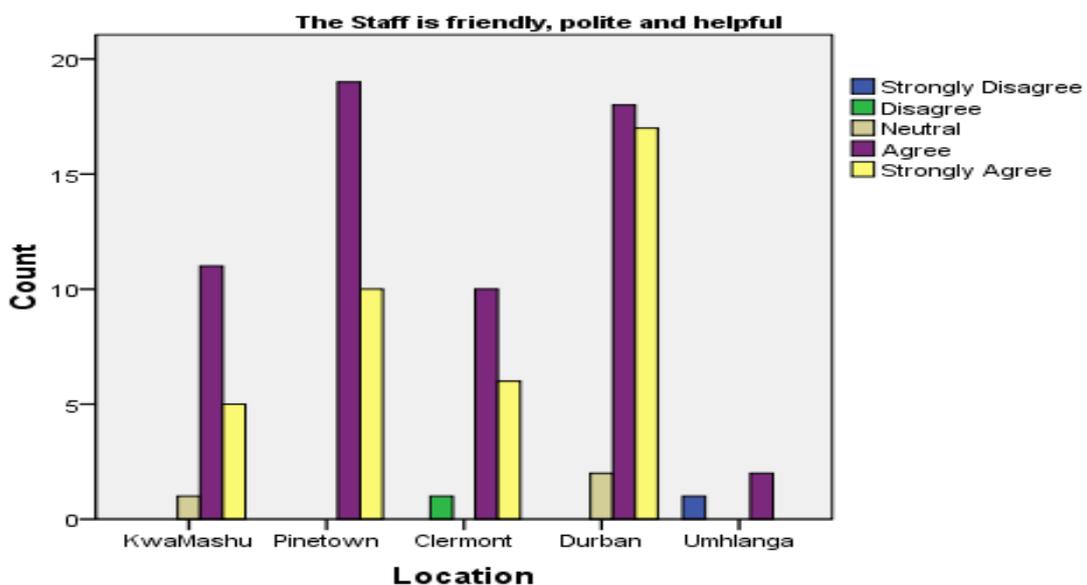
Figure 4.9 The staff is friendly, polite and helpful

50

Figure 4.8 shows that 58% of customers agree that the staff is friendly, 37% strongly agree, 3% were uncertain and 1% disagreed and strongly disagreed respectively. The findings show that there is room for improvement since only 37% of customers are 100% satisfied. According to the mode most of the respondents selected 4. Figure 4.9 elaborates that in terms of respondents who are not satisfied with SAB service quality reside in Clermont and Umhlanga areas.

> ➢ **T3 : The average waiting time is short**

The table below was included to assess if customers are satisfied with time spent waiting for calls to be attended to. When placing an order there is a waiting time spent before it can be answered by a sales person. Therefore, the intention of asking this question was to find out if customers are satisfied with waiting time.
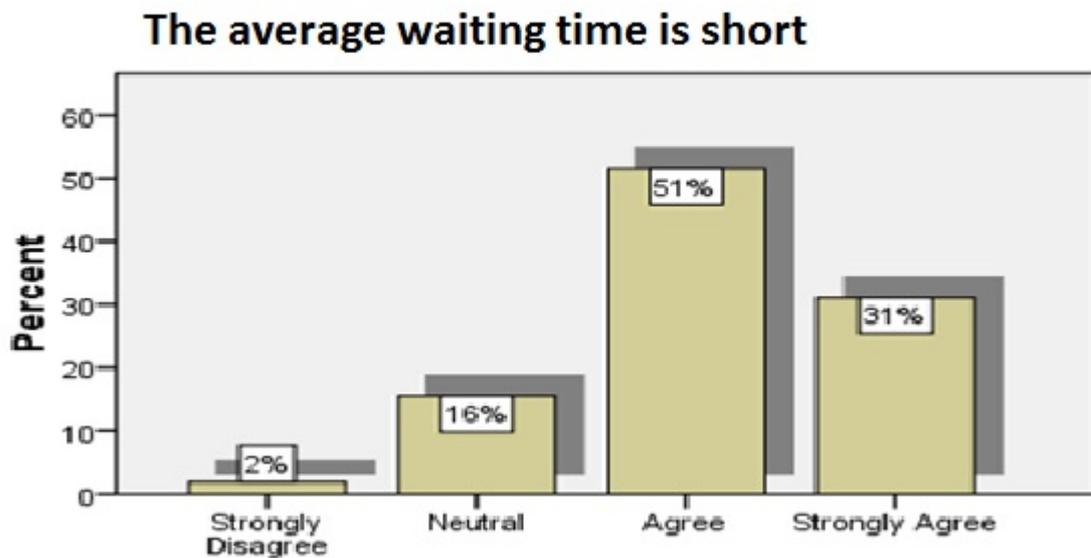
Figure 4.10 The average waiting time is short

According to figure 4.10 half the number of customers agreed that the average waiting time is low, 31% strongly agreed, 13% were neutral and 2% strongly disagreed. The findings again show a fair level of satisfaction or agreement with the statement. This item does need management's attention because the percentage of 16 of respondents who selected neutral is important to the company's sustainability.

➢ **T4 : SAB offers promotions regularly**

Customers' tastes change over time and companies such as SAB introduce new products regularly. Thus conducting promotions regularly at liquor outlets is essential in order to ensure that products are sold.
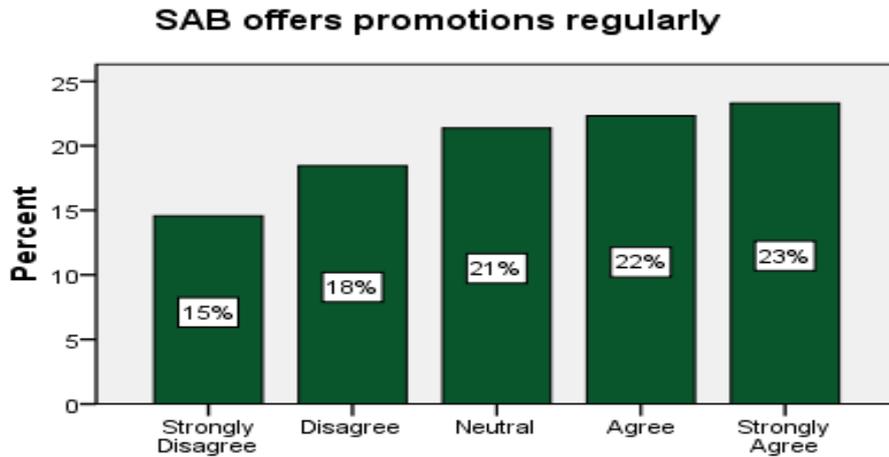
Figure 4.11 SAB offers promotions regularly
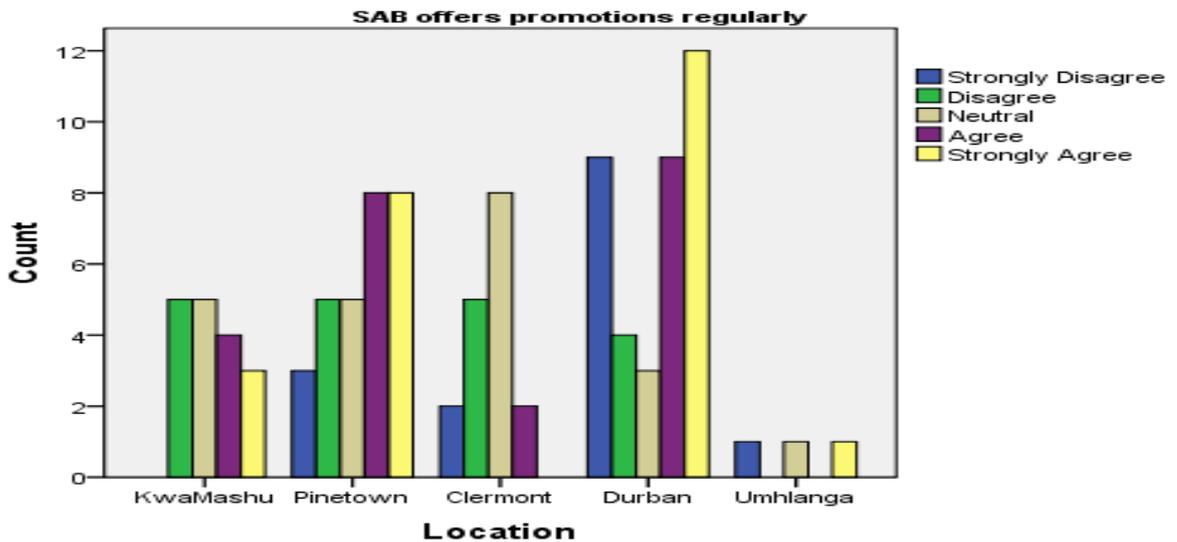
Figure 4.12 SAB offers promotions regularly

Figure 4.11 above indicates that the level of customer satisfaction with regard to promotions conducted by SAB is low. From the figures it seems that 33% disagree which is high, 54% did not agree and only 45% agreed. The findings suggest that SAB needs to respond and improve the way it conducts promotions since 33% of respondents were not satisfied with promotions. Figure 4.12 shows

that none of the respondents in Clermont strongly agree that SAB conducts promotions regularly. This suggests that in Clermont customers are not highly satisfied with the way SAB conducts promotions. In this figure it again surfaces that respondents who are highly satisfied with this item are located in Durban, Pinetown and lastly KwaMashu.

4.5.2 Reliability Dimension

By including Reliability Dimension, the research examined whether SAB delivers service as promised. This dimension assessed if customers received their orders as promised and at the right time and the level of customer satisfaction with the way SAB handles customer service problems.

➢ **R5 : SAB staff provides service at a right time**

This item investigated if SAB customer orders are delivered at a right time. Figure 4.13 indicates the breakdown of customer satisfaction levels regarding the time that the deliveries are performed
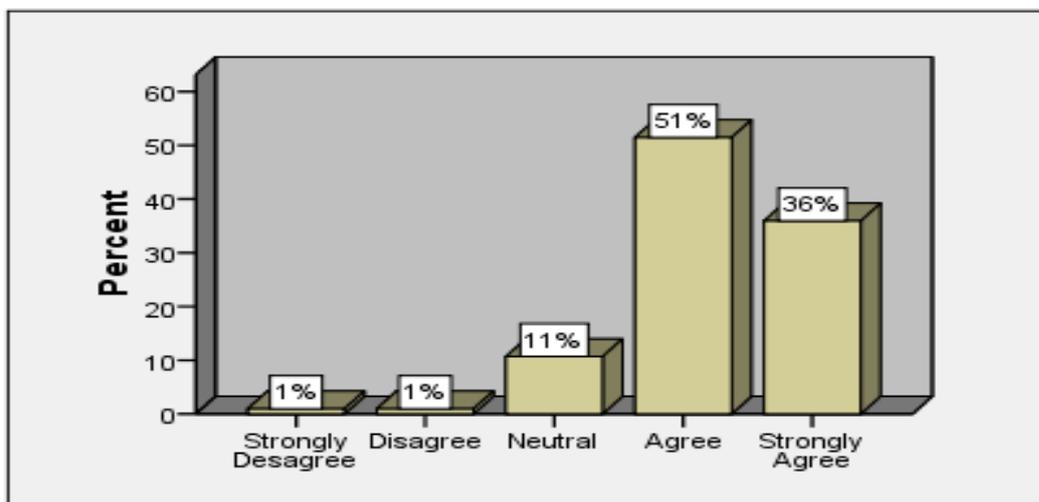
Figure 4.13 SAB staff provides service at a right time

Figure 4.13 indicates that 51% of customers agreed with the statement. Some 36% strongly agreed, 11% was neutral and 1% disagreed and strongly disagreed respectively that deliveries are done at the right time. This means that the level of satisfaction is fair, but SAB needs to reconsider delivery time strategy. The

fact that 13% does not agree with the statement indicates that SAB needs to improve on their service levels.

>   **R6 : SAB staff provides service as promised**

Item R6 investigated if the service is provided as promised to customers. This item includes solving customer queries, receiving orders or deliveries and providing other services as promised.
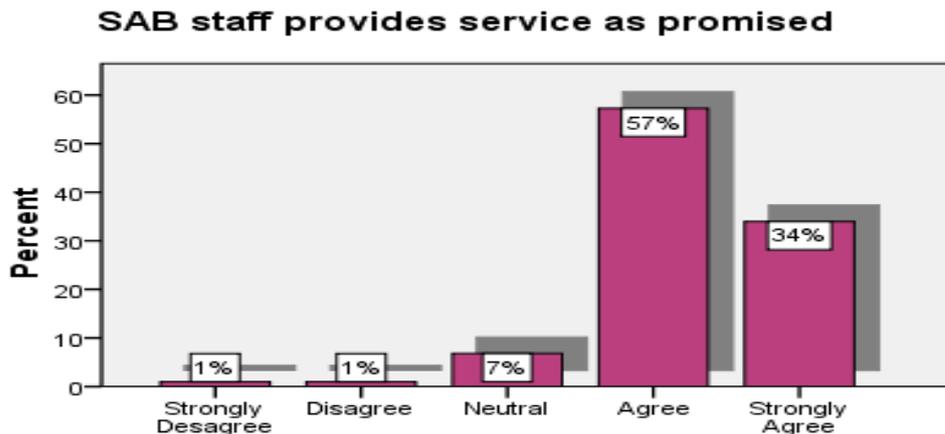
Figure 4.14 SAB staff provides service as promised

Figure 4.14 shows that only 34% of the respondents strongly agree that SAB provides service as promised, 57% agreed with the statement while 7% were neutral, 1% disagreed and 1% strongly disagreed. The findings also show that 9% of the respondents are not happy with the service offered by SAB. This indicates that SAB needs to pay attention on their commitment to provide service as promised or rather at a promised time.

>   **R7 : SAB staff is dependable in handling customer service problems**

R7 assessed if SAB staff handles customer service problems in an acceptable manner. The Table below shows the distribution of respondents' perceptions of the way in which SAB staff handles customer service queries.
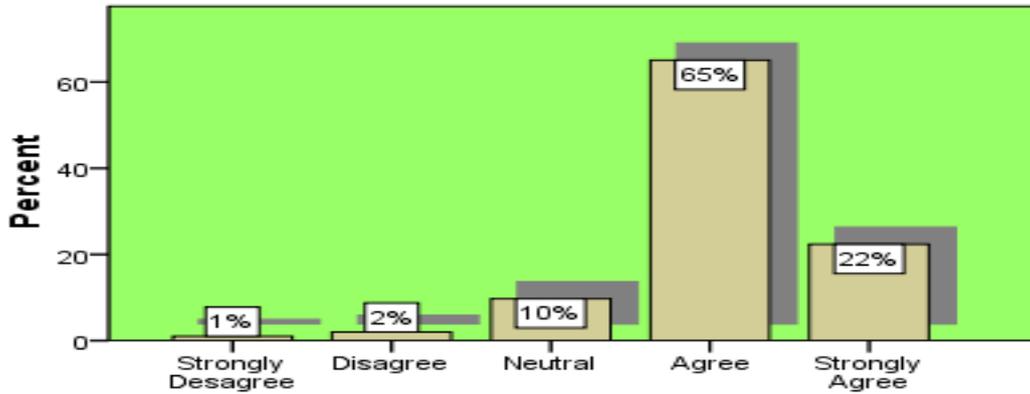
Figure 4.15 SAB staff is dependable in handling customer service problems

Figure 4.15 indicates that 65% of customers agree, 22% strongly agree, 10% were neutral, 2% disagreed and 1% strongly agreed that SAB staff is dependable in handling customer service problems. The responses were on the positive side though 10% were neutral. However, 13% of respondents disagree which indicates that some of the customers require SAB to improve the manner in which they handle their problems.

> ➤ **R8 : SAB staff performs service right at the first time**

This item assessed if service at SAB is performed right at the first time. Performing service correctly the first time sends a good
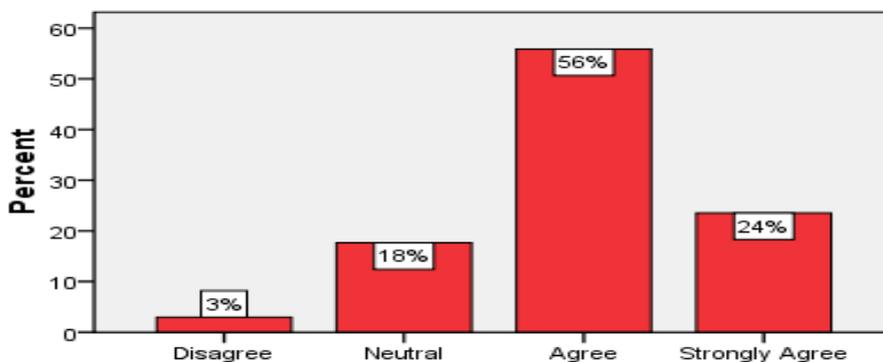
Figure 4.16 SAB staff performs service right at the first time

Figure 4.16 depicts that 24% and 56% of respondents selected strongly agree and agree, 18% selected neutral and 3% disagreed with the statement. A total of 21% respondents were not in agreement with the statement which suggests that SAB needs to pay more attention into performing the right service first time around.

4.5.3 Responsiveness Dimension

This dimension measured SAB staff willingness to assist customer by providing prompt response to customers' requests.

> ➤ **RS8 : The staff responds to customer complaints instantaneously**

RS8 is about responding to customers instantaneously when they have complaints.
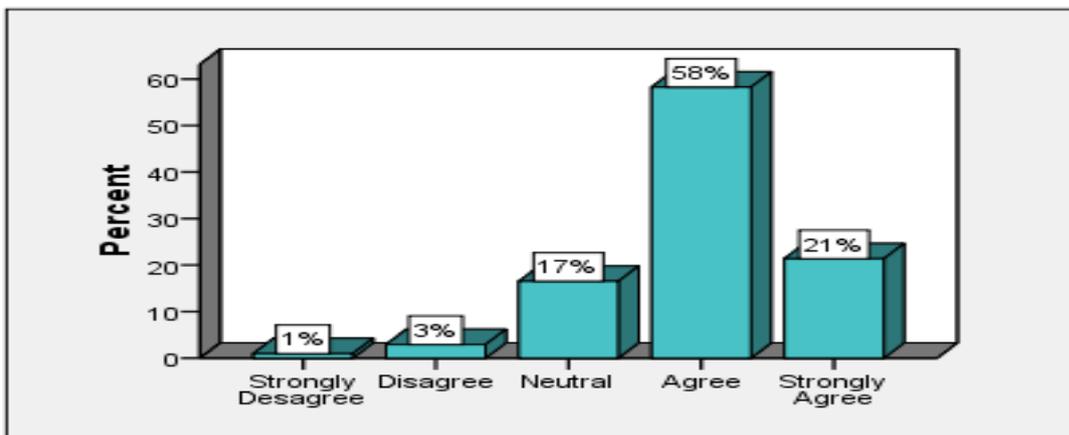
Figure 4.17 The staff responds to customer complaints instantaneously

Figure 4.17 above indicates that 58% of the respondents agreed, 21% strongly disagreed, 17% neutral, 3% disagreed and 1% strongly disagreed. A total of 21% of the respondents disagree with the statement which suggests that SAB should train personnel on how to deal with customers' complaints as the findings show only a few customers were highly satisfied with this item.

➢ **RS9 : The staff displays concern and desire for assisting customers**

RS9 regards displaying and showing concern and desire for assisting customers.
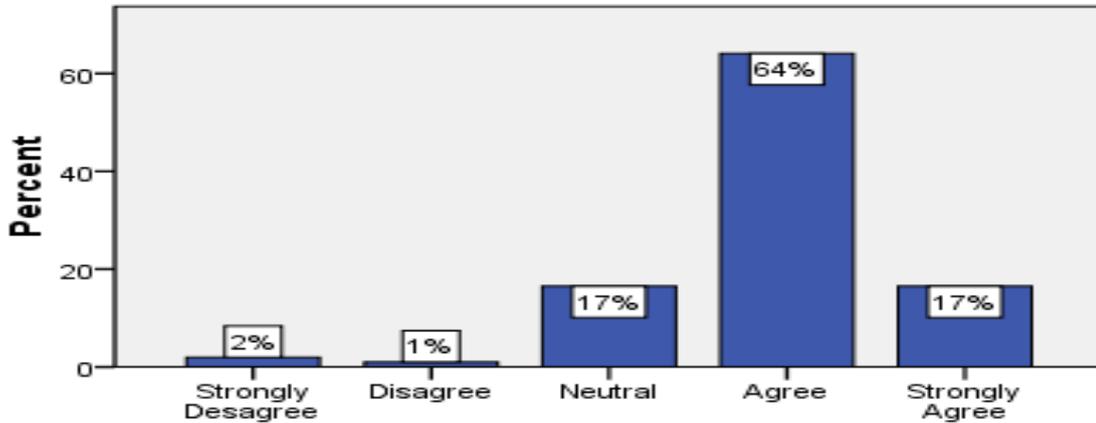
Figure 4.18 The staff displays concern and desire for assisting customers

Figure 4.18 depicts that only 1% and 2% of the respondents disagreed and strongly disagreed. 17% were neutral, 64% agreed and 17% strongly agreed. In total, 21% of the respondents were not in agreement with the statement which suggests that SAB staff should be more caring when it comes to assisting customers.

➢ **RS10 : The staff is always ready and keen to respond to customers' requests**

Item RS10 assessed if SAB employees are always ready and keen to respond when customers make requests. The figure below shows the findings of this item.

The staff is always ready and keen to respond to customers' requests
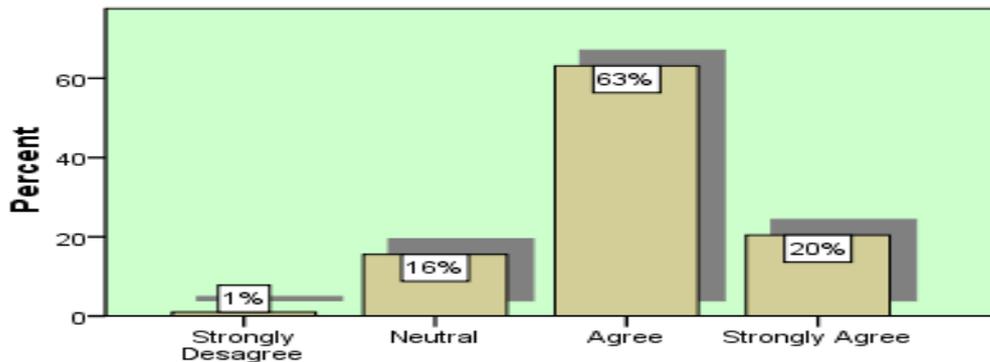
Figure 4.19 The staff is always ready and keen to respond to customers' requests

Figure 4.19 shows that none of the respondents selected disagree, only 1% strongly disagreed, 16% were neutral, 63% agreed and 20% strongly agreed. The findings of the above graph show that though 63% are satisfied with the staff response to customers. The 16% that are neutral indicates that this percentage of SAB customers is not sure in this regard, and SAB needs to take cognisance of this.

➢ **RS11: SAB staff provides prompt services**

This item is about providing prompt service to customers. The figure below shows distribution of participants' response regarding their satisfaction towards this item.

SAB staff provides prompt services
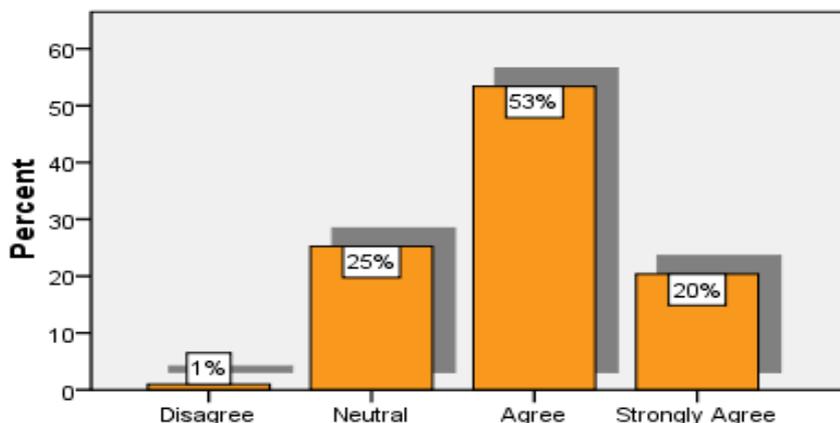
Figure 4.20 SAB staff provides prompt services

On item RS11 none of the respondents selected agree, 1% of the respondents selected disagree, 25% was neutral, 53% agreed and 20% strongly agreed that the staff provide prompt service. Again, on this item approximately half of SAB customers are satisfied, only 20% are highly satisfied and 25% are neutral. The 26% of the respondents that is not satisfied with this item serves as an indication that SAB should urgently direct its resources towards improving the rate in which service is delivered to customers.

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> ➢ **RS12 : SAB staff is always willing to help customers**

This item investigated staff willingness to help customers. The findings of RS12 are shown in figure below.
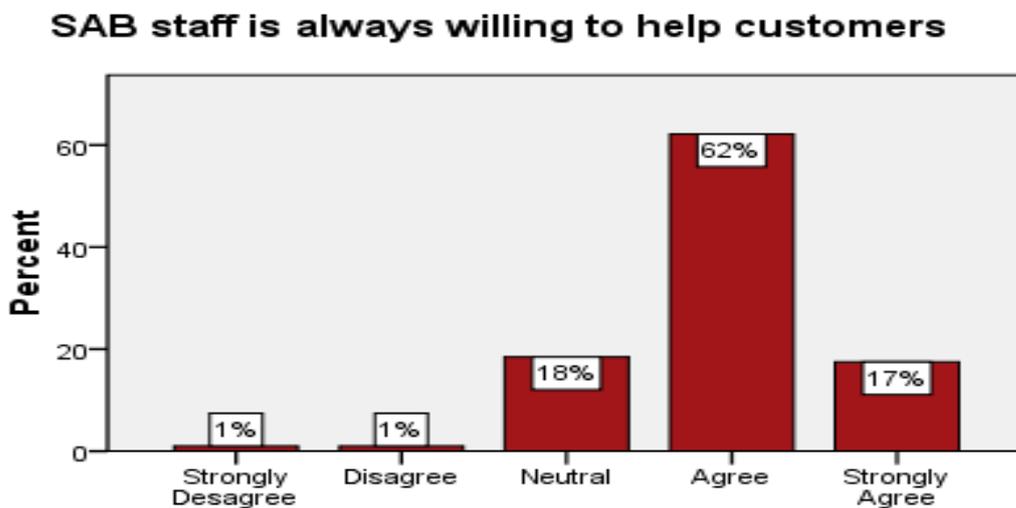
Figure 4.21 SAB staff is always willing to help customers

Figure 4.21 indicates that 1% of the respondents strongly disagreed and disagreed respectively. Some 18% of the respondents were neutral, 62% agreed and 17% strongly agreed with the statement. Again 20% of the respondents were not happy with this item which requires SAB's employees to always show willingness and interest in helping customers.

> ➢ **RS13 : SAB staff is always available to respond to customers**

Item RS13 assessed the level of customer satisfaction about SAB staff availability to respond to customers.
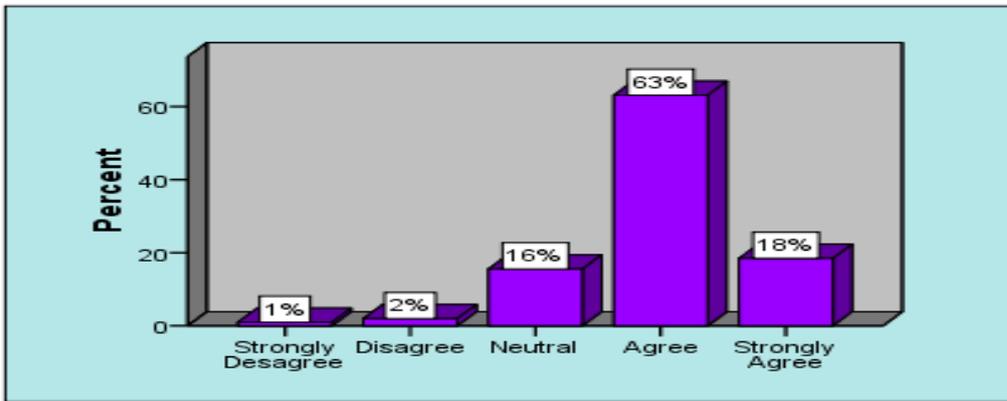
Figure 4.22 SAB staff is always available to respond to customers

Figure 4.22 depicts that 18% of the respondents strongly agreed, 63% agreed, 16% was neutral, 2% and 1% of the respondents disagreed and strongly disagreed respectively. The findings indicate that SAB mildly neglects this important element in their service delivery process and therefore needs to improve their service level.

4.5.4 Assurance Dimension

This dimension investigated customer satisfaction against SAB staff ability to instill confidence on customers and their knowledge about SAB products and activities.

> ➢ **A14 : SAB staff attitude towards customers is acceptable**

This item was included to investigate SAB staff attitude towards customers.
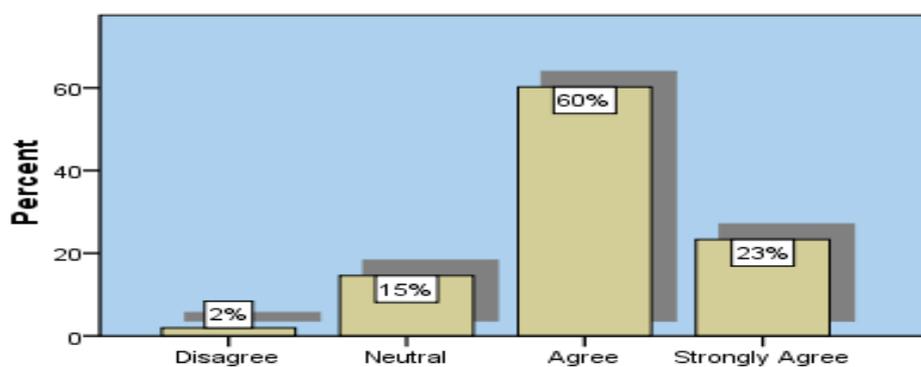
Figure 4.23 SAB staff attitude towards customers is acceptable
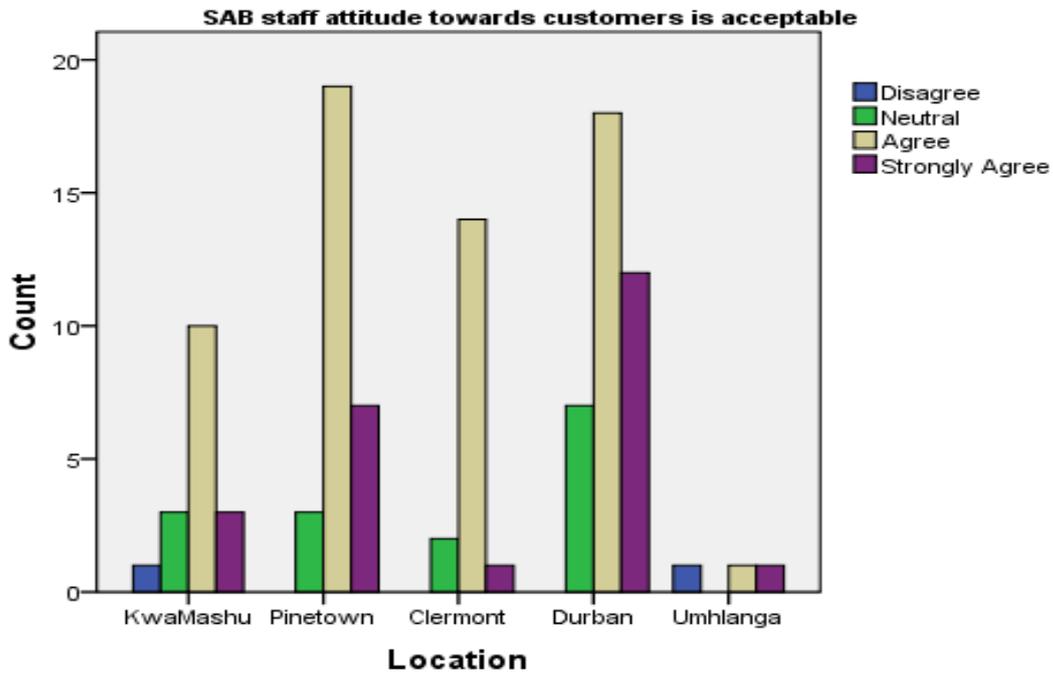
Figure 4.24 SAB staff attitude towards customers is acceptable

Figure 4.23 reveals that 23% of the respondents strongly disagreed, 60% agreed, 15% were neutral, 2% disagreed and none of the respondents strongly disagreed. Figure 4.24 shows that 2% of the respondents who were not satisfied about SAB staff attitude towards customers trade in KwaMashu and Umhlanga. Figure 4.30 indicates that males are more highly satisfied than females on this item.

➢ **A15 : SAB staff instills confidence in customers**

Are the customers satisfied with the staff ability to instill confidence?
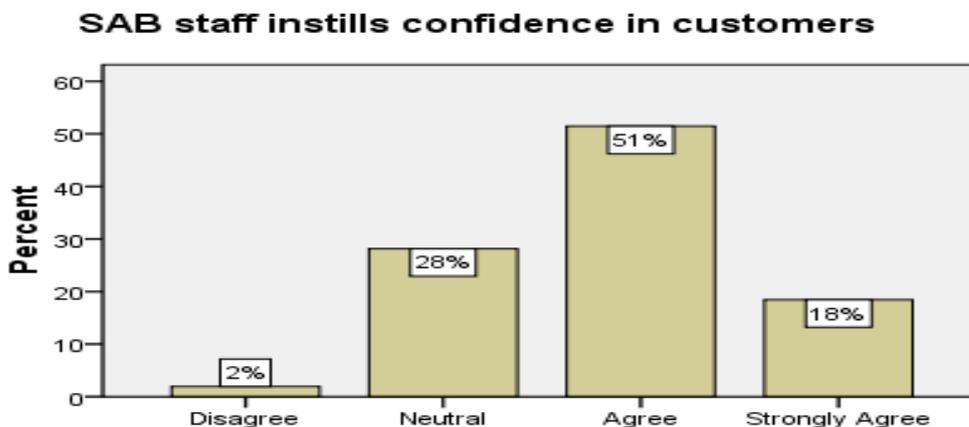
Figure 4.25 SAB staff instills confidence in customers

61

Figure 4.25 indicates that 18% of respondents strongly agreed, 51% agreed, 28% were neutral, 2% disagreed and in total 30% of the respondents disagreed. This indicates that SAB should introduce programmes that will equip employees with necessary skills required to instill confidence in customers.

➢ **A16 : SAB staff tells customers exactly what will be performed**

This item assessed whether SAB customers are told exactly what will be performed. This item is about informing customers when and how the service will be performed. For example when customers place an order or have a technical problem, are they informed when they should expect the delivery or when will the technical problem be attended to.
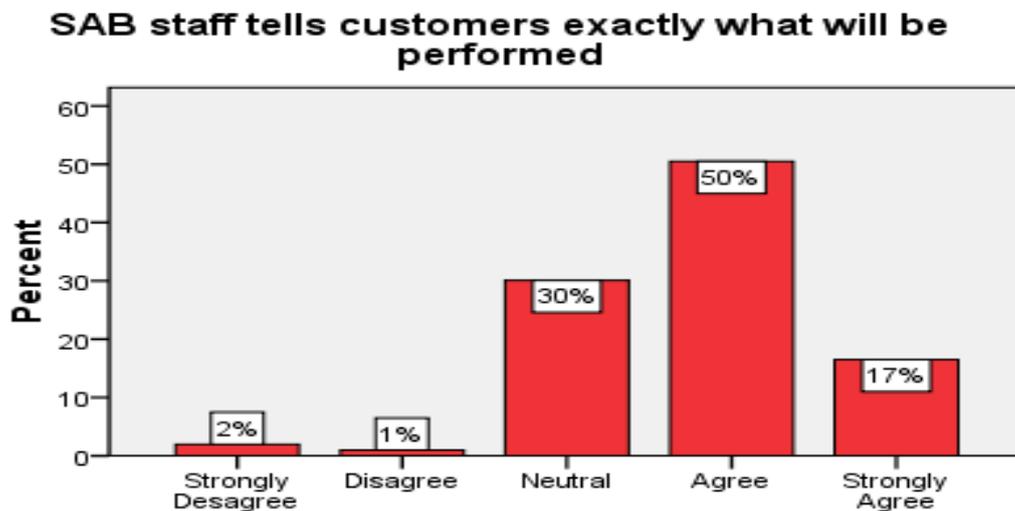
Figure 4.26 SAB staff tells customers exactly what will be performed

Figure 4.26 depicts that 17% of the respondents strongly agreed with the statement, 50% agreed, 30% was neutral, 1% disagreed and 2% strongly disagreed. This figure shows that customers are not highly satisfied with this item. Half of the customers are satisfied but 30% that selected neutral raises concerns. This indicates that the level of satisfaction is average and below the range of high satisfaction levels which is between 4 and 5.

> **A17 : SAB staff have sufficient knowledge to answer customer questions**

This item investigated whether the SAB staff is able to answer any question that the customers may have regarding the operations, products and services offered by SAB.

SAB staff have sufficient knowledge to answer customer questions
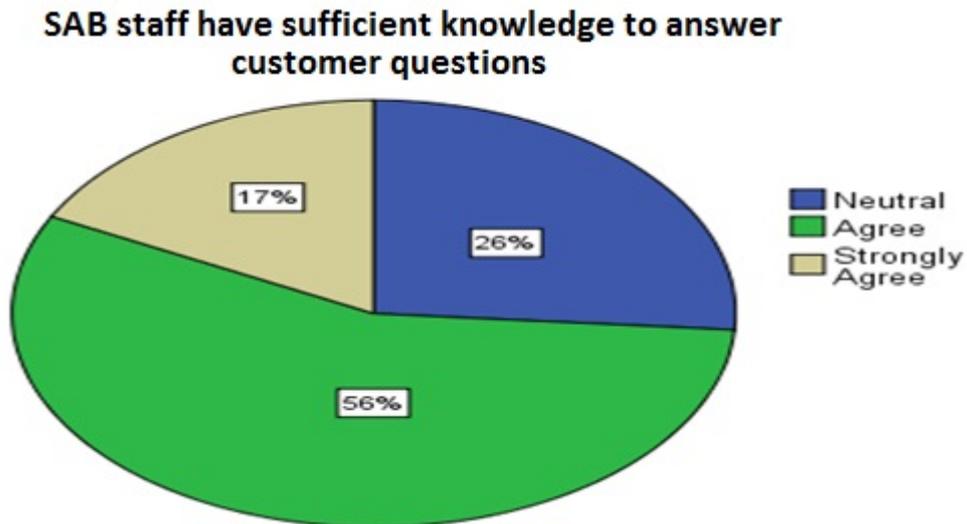
Figure 4.27 SAB staff have sufficient knowledge to answer customer questions

The pie chart in figure 4.27 reveals that none of the respondents strongly disagreed or disagreed and that, 26% was neutral, 56% agreed and 16% strongly agreed.

4.5.5 Empathy Dimension

This fifth dimension measures if SAB understands customer's needs and communicates with customers easily**.**

> **E18 : SAB staff is friendly making communication easy**

This item assessed SAB customer satisfaction levels about the way SAB staff communicates with customers.

SAB staff is friendly making it easy to communicate with
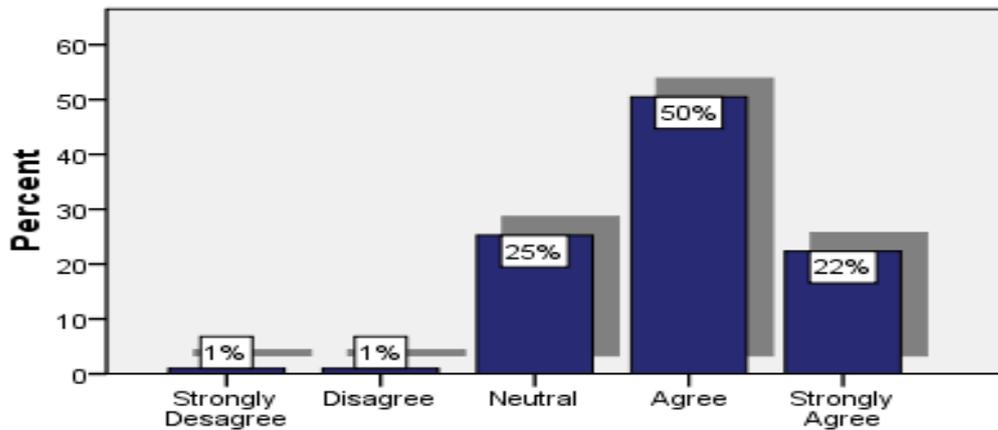
Figure 4.28 SAB staff is friendly making communication easy

Figure 4.28 indicates that 22% strongly agreed, 50% agreed, 25% were neutral, 1% disagreed and 1% strongly disagreed that it is easy to communicate with SAB staff. A mere 27% of the respondents disagreed with the statement which indicates that SAB should begin to address this matter with its customers. SAB needs to place more emphasis on this element of service. Communicating with customers in a friendly manner would encourage customers to stay in the organization.

> ➤ **E19 : SAB sales staff is patient and gives individual attention to customers**

This item is about assessing if the staff is patient and gives attention to customers when having queries**.**
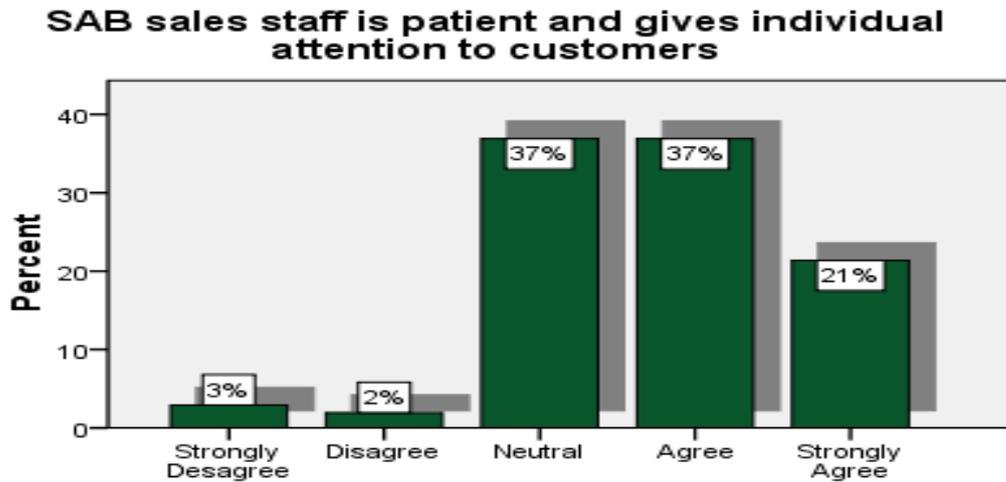
Figure 4.29 SAB sales staff is patient and gives individual attention to customers

Figure 4.29 depicts that 21% of the respondents strongly agreed, 37% agreed, 37% were neutral, 2% disagreed and 3% strongly disagreed with the statement. This percentage distribution indicates that customers are not completely satisfied regarding this item. What is also notable in figure 4.29 is that this item has the highest number of respondents with lowest satisfaction levels, which is 5%. However, in order to win this 5% SAB should monitor the manner in which sales staff treats customers.

➤ **SAB staff understands each customer's needs**

This item investigated if SAB staff is concerned about and understands each customer's needs. Do they pay attention to individual needs of customers.

SAB staff understands each customer's needs
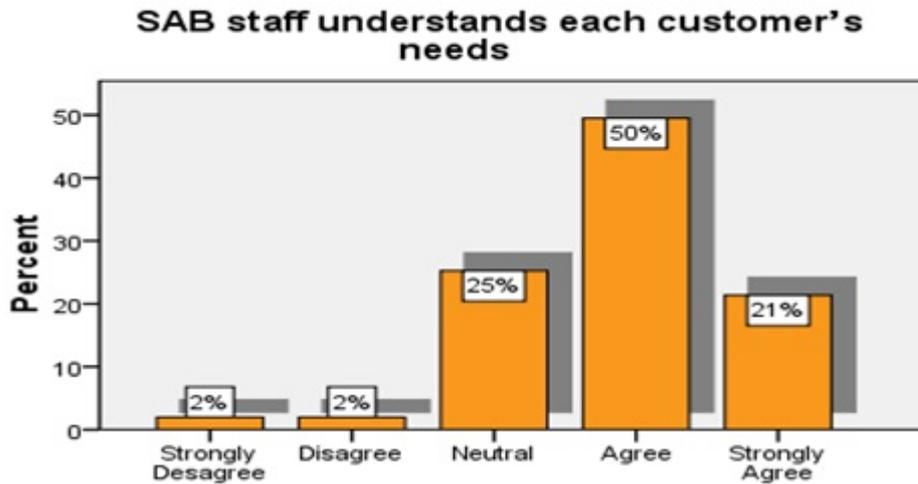
Figure 4.30 SAB staff understands each customer's needs

Figure 4.30 reveals that only 21% of the respondents strongly agreed, 50% agreed, 25% were neutral, 2% disagreed and 2% strongly disagreed that SAB employees understands each customer's needs. Again, more than a quarter of the respondents (29%) disagreed with the statement which suggests that SAB staff needs to take more care on how they attend to their customers' needs.

➤ **E21 : SAB staff deals with customers in a caring manner**

This item evaluated if the staff is dealing with their customers in a caring manner.

SAB staff deals with customers in a caring manner
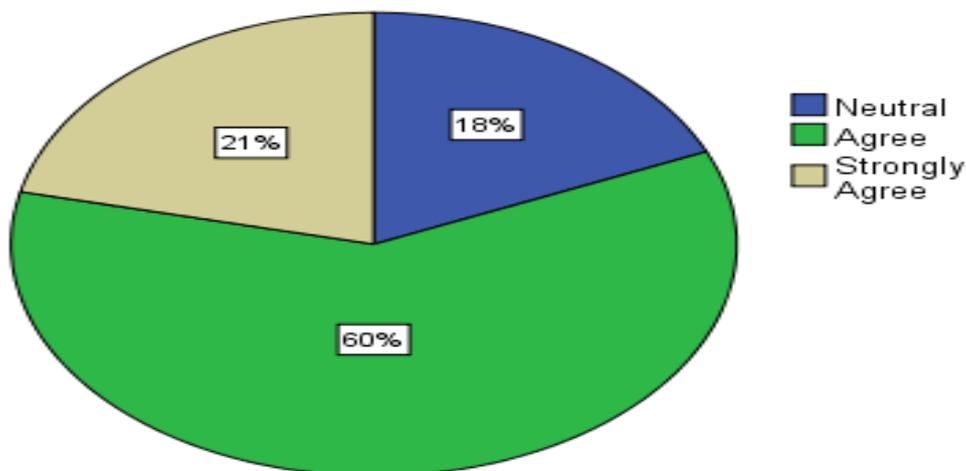
Figure 4.31 SAB staff deals with customers in a caring manner

Figure 4.31 replicates that none of the respondents disagreed and strongly disagreed, 21% strongly agreed, 60% satisfied and 18% was neutral regarding this item. This indicates a high level of satisfaction on this item.

➢ **E22 : SAB offers flexible and convenient operating hours**

This item assessed customer satisfaction levels regarding the flexibility and convenient operating hours offered by SAB.
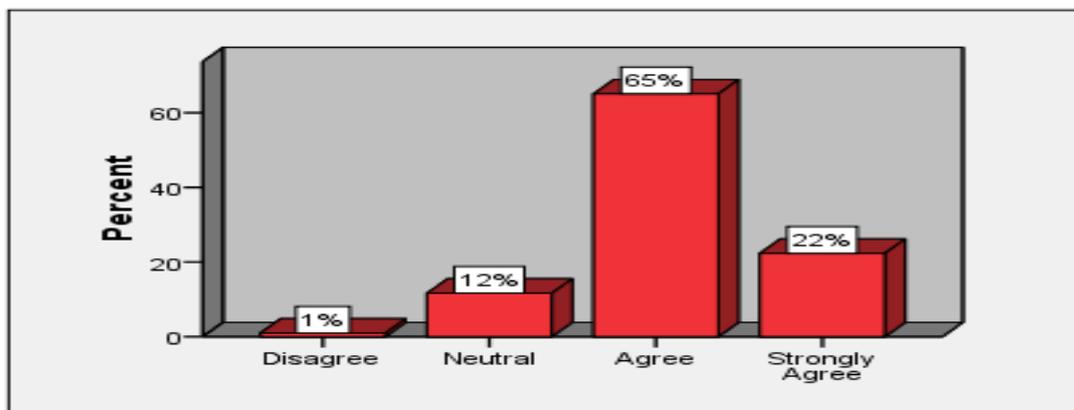
Figure 4.32 SAB offers flexible and convenient operating hours

Figure 4.32 is one of the figures that show the largest number of high satisfaction levels about an item. 65% of the respondents agreed, 22% strongly agreed, 12% were neutral, 1% disagreed and none of the respondents strongly disagreed with the statement. The findings suggest that SAB is not providing adequate hours for its customers which may have a negative impact on the organisation's level of service quality.

4.5.6 Policy Dimension

This is the last dimension on the questionnaire and it assessed whether customers are satisfied with the way SAB handles returns and exchange.

➢ **P23 : SAB sales staff offers high quality merchandise**

This item evaluated if SAB offers high quality merchandise.

SAB Sales staff offers high quality merchandise
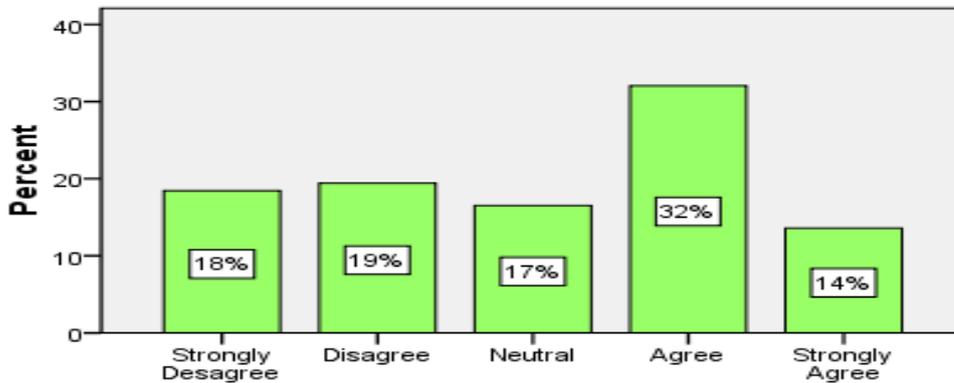
Figure 4.33 SAB sales staff offers high quality merchandise

Figure 4.33 shows lowest levels of satisfaction. Some 18% of the respondents strongly disagreed, 19% disagreed, 17% were neutral, 32% agreed and 14% strongly agreed with the item. This figure reveals that more than half of the respondents are not satisfied with the manner in which SAB offers merchandising for customers. This indicates that SAB should consider change to practice, which is necessary to enhance the quality of merchandise provided to customers.

➢ **P24 : SAB credit staff offer error free sales transactions and records**

This assessed if SAB credit transactions are error free.

SAB credit staff offer error free sales transactions and records
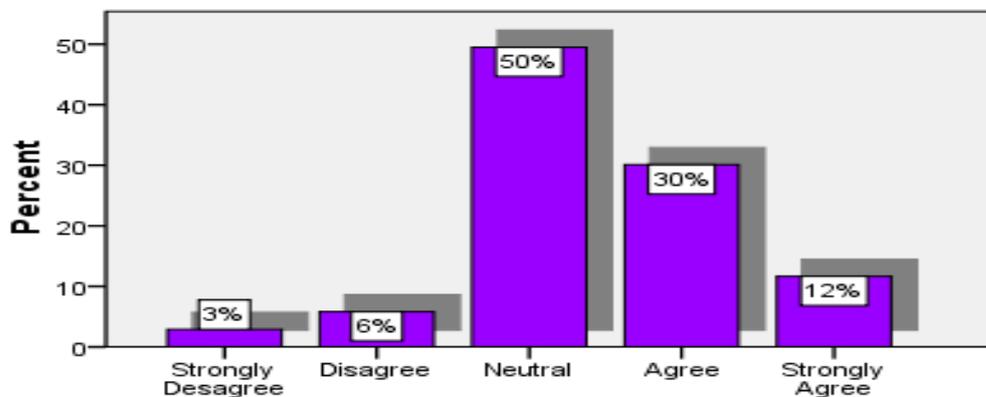
Figure 4.34 SAB credit staff offer error free sales transactions and records

Figure 4.34 also indicates a shortcoming. A total of 50% were neutral, only 12% strongly agreed, 30% agreed, 6% disagreed and 3% strongly disagreed. These figures indicate that only 42% of respondents are satisfied with the way SAB credit staff handles transactions which suggests that SAB should urgently implement appropriate programmes that would provide credit staff with necessary skills to avoid errors on records and transactions.

> **P25 : SAB credit staff accepts flexible terms of payment**

This item investigated if customers are satisfied with the terms of payment offered by SAB.
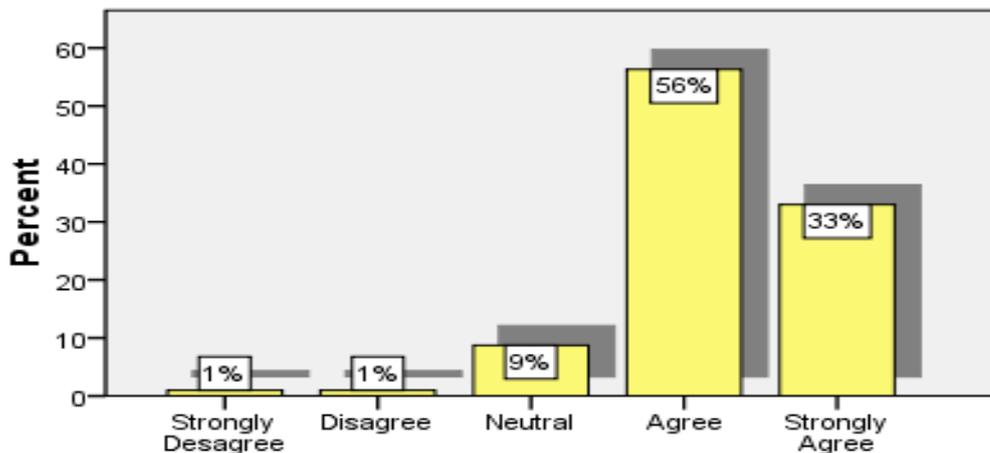
Figure 4.35 SAB credit staff accepts flexible terms of payment

Figure 4.35 shows high satisfaction levels with 56 % representing high satisfaction, 33% highest satisfaction levels, 9% of respondents were neutral and 1% disagree and strongly disagreed respectively. This indicates that the level of satisfaction is high on this item.

> **P26 : SAB willingly handle returns and exchange**

This item evaluated customer satisfaction levels based on the way in which SAB handles returns also called allergies and exchange**.**
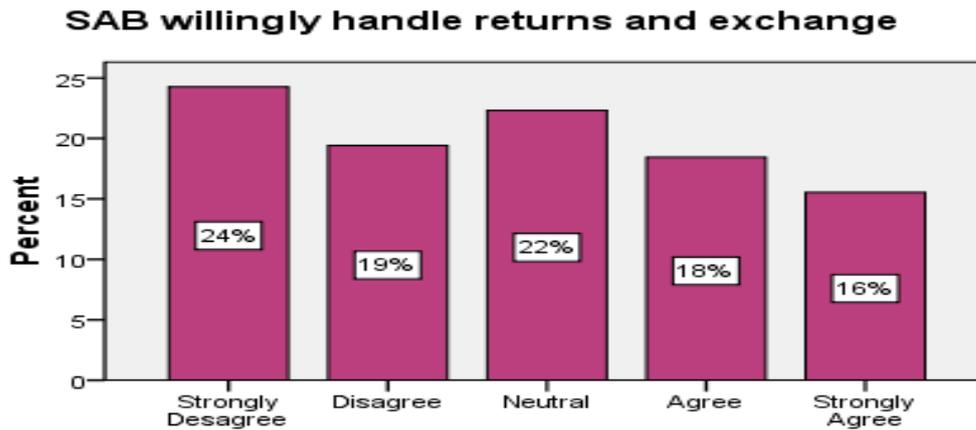
Figure 4. 36 SAB willingly handle returns and exchanges

Figure 4.36 indicates that more than half of the respondents (66%) are not satisfied with the way SAB handles ullages. A mere 24% of the respondents strongly disagreed, 19% disagreed, 22% were neutral, 18% agreed and 16% strongly agreed that SAB handles returns and exchanges willingly.

> ➢ **P27 : SAB offers enough delivery days to customers**

This item investigated if customers are satisfied with delivery days offered by SAB.
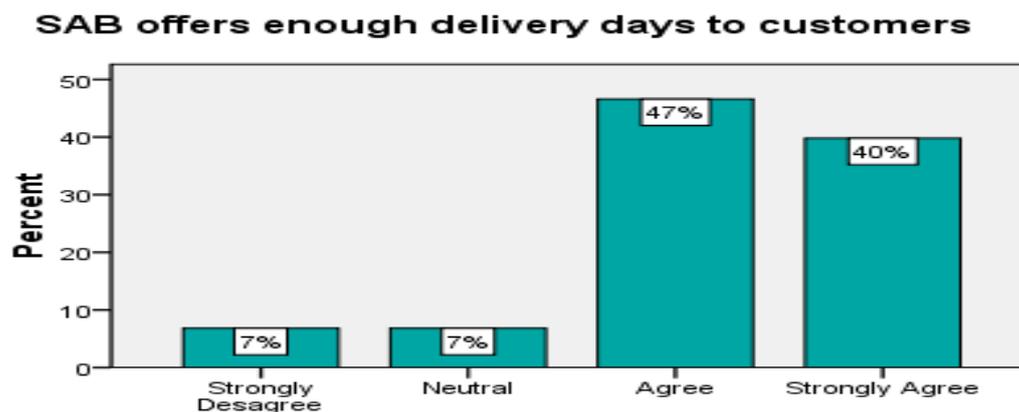
Figure 4.37 SAB offers enough delivery days to customers

Figure 4.37 shows that the satisfaction levels are above average and high. None of the respondents disagreed, 40% strongly agreed, 47% agreed and 7% of the respondents were neutral and strongly disagreed respectively.

4.6 Descriptive Statistics of the Service Quality Items

A table in Appendix 8 showing areas or shortcomings that should be amended for improvements in customer satisfaction. An item with the highest score indicates highest levels of satisfaction and the item with lowest score depicts lower levels of satisfaction and requires improvements.

The lowest mean scores are 2.82 and 3.03. The item with the lowest mean score is coded as P26 which indicates that is the lowest satisfaction level, customers dissatisfied with the way SAB handles returns and exchanges. Customers are also not satisfied with item coded as P23 meaning that customers are dissatisfied with SAB merchandising. It is noticeable that both these items fall under policy dimension. Item 1 (T1) and 2 (T2) have the highest mean scores of 4.50 and 4.29 respectively. This indicates that SAB customers are highly satisfied with the range of products offered by SAB and with staff friendliness, politeness and helpfulness. Both items are tangible dimension items. These findings indicate that the service provided by SAB requires improvement on items with the lowest scores. This table also indicates that 14 scores have mean scores that lie between 3 and 4, 13 mean scores lie between 4 and 5 and 1 score lies below average. This is a clear indication customers are satisfied with the SAB service quality. However, to reach highest customer satisfaction levels the items with mean scores below 4 require attention and improvement.

4.7 Descriptive Statistics of Dimension Composite scores

The various perceptions under each service quality dimension were grouped into six constructs and calculated its individual average to get composite scores. The modified version of SERVQUAL which involve six dimensions of service quality is used to group the various perceptions of items and the composite scores were calculated. The table below shows the result of the service quality dimensions composite score. The composite scores calculated are given in table 4.31 below:

Table 4.1 Descriptive Statistics of the Service Quality Dimensions Composite Scores

Summary Item Statistics

Item	Mean	Minimum	Maximum	Range	Max / Min	Variance	N of Items
Tangible	4.024	3.214	4.495	1.282	1.399	.319	4
Reliability	4.115	4.000	4.216	.216	1.054	.011	4
Responsiveness	3.956	3.922	4.019	.097	1.025	.001	6
Assurance	3.903	3.786	4.049	.262	1.069	.012	4
Empathy	3.924	3.718	4.087	.369	1.099	.021	5
Policy	3.517	2.816	4.194	1.379	1.490	.392	5

Table 4.1 above indicates that the reliability dimension has the highest score of 4.115 followed by tangible, responsiveness, empathy and assurance with mean scores of 4.024, 3.956, 3.924 and 3.903 respectively. The lowest customer satisfaction level is at the policy dimension with a mean score of 3.517. These results indicate that only one dimension has a score that is between 4 and 5 and all the remaining dimensions have an average mean score between 3 and 4. This indicates that customers are highly satisfied findings indicate that the composite mean scores are all less than 4 and above average but less than 5 which is the maximum score (highest satisfaction level) of mean. The findings show that customers are only highly satisfied with reliability dimension and all the remaining dimensions require improvement to achieve highest levels of customer satisfaction. Furthermore, these results show that currently customers are moderately satisfied or not highly satisfied with SAB service quality offering.

4.8 Inferential Statistics

➤ **Reliability Measure of the Results**

In this study, the measurement scales employed are broadly valid and reliable which indicate the relationships between service quality diemensions (independent variable) and customer satisfaction (the dependent variable). All the questionnaires were complete there is no missing data in the questionnaires. All items show strong consistency and its constructs indicated by values of Cronbach's alpha higher than 0.70 as suggested by Hair et al., (1998) except tangible and policy. This means that these variables are consistent measures because the overall Cronbach's alpha is 0.882 as shown in table below. This suggests that the items concerned adequately measure a single construct for each tested variable. Reliability measurements for each construct are shown in Table 4.2and 4.3 below.

Table 4.2 Reliability Measures of the Relationship

Item	Cronbach's Alpha	No of Items	Cronbach's Based on Std Items
Tangible	.507	4	.644
Reliability	.799	4	.800
Responsiveness	.791	6	.791
Assurance	.786	4	.790
Empathy	.858	5	.865
Policy	.500	5	.510

➢ **Reliability Statistics**

Table 4.3 Overall Reliability Score

Cronbach's Alpha	N of Items
.882	34

Table 4.2 and Table 4.3 shows consistent reliability on all factors used in the study. It shows that all items measure a same construct. According to Nunnally a Cronbach's Apha Coefficient that is higher than 0.7 shows consistency among items. The overall Cronbach's Apha Coefficient for the study was 0.882, the results show interrelatedness of the two variable measured in this study.

4.9 Summary

This chapter presented the results of the study. The descriptive statistics in terms of distribution of percentages across all items was presented to determine the satisfaction and dissatisfaction levels of customer with regards to service quality offered by SAB. The mean and standard scores of each item together with overall composite scores was also analysed to identify areas and shortcomings that need to be amended for improvement. Finally, the relationship between service and customer satisfaction was presented using Cronbach's Alpha Coefficient. The next chapter discusses the findings in detail.

CHAPTER FIVE

DISCUSSION

5.1 Introduction

In this chapter the researcher discusses the findings of this study in detail. The main areas of discussion concern the perceptions of service quality and the dimensions employed which include tangible, reliability, responsiveness, assurance, empathy and policy.

5.2 Discussion

The primary objective of this study was to determine the satisfaction or dissatisfaction levels of customers with regard to service quality offered by South African Breweries (SAB) Springfield. The secondary objective was to identify the shortcomings that could be amended to improve customer satisfaction with regard to service quality. The research questions of the study were as follows:

➢ What are the perceptions of customers about the service quality provided by SAB, Durban?
➢ Is there a relationship between service quality and customer satisfaction?
➢ With which dimensions of service quality are customers satisfied or dissatisfied?
➢ How can customer satisfaction levels be enhanced?

Based on the above objectives and research questions, customer satisfaction and service quality were taken as the effective outcome measures in this study. Thus the analysis was done in two stages. Firstly, customer satisfaction levels were determined and analysed by rating the items according to customers' perceptions of service quality. This also addressed the research question because the analysis defined the perceptions that customers have on service quality. Secondly, the overall quality of service was analysed against satisfaction of customers to identify areas that require amendments and improvements.

The analysis identified six dimensions. In this study a SERVQUAL measurement scale developed, proved to be a valid and reliable tool to assess service quality and customer satisfaction. In evaluating and analysing levels of customer satisfaction regarding service quality provided by SAB, the following five SERVQUAL dimensions were used: Tangible, Reliability, Responsiveness, Assurance and Empathy and an additional sixth dimension Policy from RSQS. According to Liu, Jang & Shawn (2009, p.340) Stevens et al., (1995) also modified several items from original SERVQUAL to measure service quality in restaurants. SERVQUAL was modified to ensure that the construct was accurately measured in the liquor industry. The discussion of the findings below in line with the objectives show how the data collected supports what was measured. The following section of discussion of findings is in line with the primary objective of the study.

5.2.1 To determine the level of customer satisfaction or customer dissatisfaction with regards to service quality offered by South African Breweries (SAB).

The level of customer satisfaction and dissatisfaction was analysed by examining the perceptions of customers about the service quality offered by SAB. Customers were asked to circle 1 if they strongly agree with the statement and 5 if they strongly disagree. A score of 3 represented a neutral feeling and perception about the services offered by SAB. 'Strongly disagree' was rated as lowest satisfaction levels, 'neutral' as average satisfaction and 'strongly agree' as highest satisfaction level. This section also answered the first research question: What are the perceptions of customers about the service quality offered by SAB, Durban?

This study concentrated on customer perceptions of SAB service quality offering. According to Carman (1990) cited in Naik (2010, p.33) several researchers find "customer perceptions to be sufficient in assessing service quality as compared to GAP" which measures quality of service by studying the difference between expectation and perceptions. In addition to this Jemmasi, Strong, Taylor, & Steven (2011, p.27) conducted a study which demonstrated that service quality assessment using SERVQUAL analysis may be a more useful strategic management tool than the GAP measures. The objective and the

research question were therefore discussed and analysed based on the perception of customers with reference to the following dimension.

5.2.1.1 Tangible Dimension

Tangibility in this study was not about the physical aspects or appearance of the premises. It was about the functionality of the service provider under investigation. This is the reason why the original SERVQUAL dimension of tangibility was modified. Gounaris (2010) also modified SERVQUAL dimensions to properly measure service quality based on e-Web and called it WEBQUAL. According to Ladhari (2009) dimensions can vary depending on the type of organisation or industry under consideration. Therefore, in this study tangible dimension measured customer satisfaction levels in relation to the functionality of SAB. Omar, Nor Asia Musi and Rhosida (2011) also stated that improved service quality may be achieved by understanding and cultivating functional processes; an ability to identify difficulties rapidly, analytically and most importantly by instituting valid and reliable performance outcomes.

The first item considered the range of products offered by SAB. This item was included because in the retail market, customers buy the best products offered. It was, therefore, important to assess whether customers were satisfied with this item. When measuring service quality in retailing it is important to look at the service and goods offered, and then originate a set of items that could measure this construct accurately (Mehta, et al., 2000 cited from Naik 2010). SAB is categorized under retailing because its operations include services and merchandising of goods. This item was rated the first most highly satisfactory with a mean score of 4.50 which indicated 'highest satisfaction' level.

The second item was staff friendliness, politeness and helpfulness towards customers. Customers feel very appreciated and important when service providers communicate with them in a polite and friendly manner, and this leads to customer retention. The average waiting time is also important. This item was regarded as second 'most satisfactory' by SAB customers. The possible explanation of this finding is that SAB offers the best range of products in the liquor industry compared to competitors.

The overall mean score for this item was 4.02 which was within 4 and 5 representing satisfaction levels. However, there is still room for improvement bearing in mind that customers' tastes and needs constantly fluctuate. It is also important to note that though this dimension was rated as the second satisfactory dimension, the fourth item under this dimension was rated as a second lowest satisfactory with a mean score of 3.03. These findings suggest that SAB needs to improve the way they conduct promotions. In retail industry, this is the most important marketing tool used to attract customers. It is important to offer strong promotional efforts to improve the quality of the service and to enhance the company performance (Grewal, Levy & Kumar 2009).

5.2.1.2 Reliability Dimension

According to this study, reliability dimension results show high satisfaction levels of customers with the services offered by SAB. SAB provides services as promised and problems are solved and handled with speed. This is supported by Hernon, Altman & Ellen (2010) ensuring that customer's queries and problems about the product or service, are resolved quicker and within an expected period, enhances customer satisfaction levels.

The findings of this study concur with previous literature as shown in the following statement: "The service component of these products is that they should satisfy the needs of consumers in terms of taste, they should be delivered to customers at an expected and promised time, this in turn determines the quality of service offered" (Ryu, Lee & Kim 2012).

Among the dimensions reliability was regarded as the first highest satisfactory by customers with the overall mean score of 4.12. Singh and Kaur (2011), Ganguli and Roy (2011), Kanning and Bergmann (2009) indicated that major factors of customer satisfaction included reliability as having a main effect on the overall customer satisfaction. This means that SAB has taken cognisance of this model, thereby improving their overall customer satisfaction.

The findings also show that SAB is consistent in ensuring that deliveries and services are provided at the right time. Winer and Dhar (2011) also confirmed that satisfying the customer first time around is very crucial to business relationships and leads to highly satisfied customers and increased profit. The

item mean scores in this dimension ranged from 4.00 to 4.22, which indicates that SAB customers are highly satisfied with all the items under this dimension. The results show that customers are confident that when SAB state they will deliver an order at a specific time, they will do all they possibly can to honour the commitment.

5.2.1.3 Responsiveness Dimension

Responsiveness was rated third as satisfactory dimension by customers with the overall mean score of 3.95. Parasuraman, Berry, & Zeithaml, (1991) stated that responsiveness is linked to the readiness to assist customers resolve service complications, responding timeously to emergency conditions and rapid and precise deliveries. Basically responsiveness is the willingness to help customers empathetically and provide speedy service.

The item with the lowest satisfaction level on this dimension was about staff displaying concern and desire to assist customers with 3.92 being the mean score. The findings indicate that SAB needs to show more concern about customer's requests. Han and Lee (2006) stated that "when the customers, do not get their complaints considered properly, they start looking for other brands. It happens because either the staff does not handle the complaints or the customers are not able to address them properly. Sometimes, service providers take a considerably longer time to resolve the problems". "The customers do not want to wait for long otherwise they lose satisfaction with that particular brand" (Haneef, Fafiz & Riaz 2010, p.46)

5.2.1.4 Assurance Dimension

The findings reveal a satisfaction level mean score of 3.91. The lowest mean score is on the third item of this dimension. This can be interpreted as customers being satisfied with the attitude of SAB staff, but that they fail to inform their customers of their intentions. This is revealed in the lowest mean score of 3.79 under this dimension. Nevertheless, SAB does show the ability to respond to customers in an acceptable manner. An attitude can be defined as the ability to respond consistently favourably or unfavourably towards an object (Jemmasi 2011, p.37). "The friendly attitude and courteous behavior of the staff at service firms leaves a positive impression on the customer which lead towards customer

satisfaction. On the other hand, if a service provider lacks in providing services to its customers, it experiences customer churn, argued that service provider should provide customer oriented services in order to heighten up customer satisfaction" (Haneef, Fafiz & Riaz, 2010, p.46).

Another possible explanation of this finding is that SAB is not adequately instilling feelings of confidence in its customers reflected in a mean score of 3.86. It appears that SAB employees do not have sufficient knowledge to answer customer questions. SAB needs to create a balanced strategy under this dimension. In the literature review it was mentioned that, "assurance is one of the important factors for customer satisfaction". Employees in the organisation must be willing to demonstrate courteousness towards customers in order to instill confidence and trust. Assurance is linked to the ability to stimulate trust and confidence by exhibiting knowledge to answer questions and ensure safe performance.

5.2.1.5 Empathy Dimension

Data shows that this dimension had a mean score of 3.92 rated as fourth in terms of satisfaction levels. These results indicate that SAB customers still need a high degree of communication with SAB staff to reach highest levels of satisfaction. The high level of satisfaction under this dimension is on the convenient and flexible hours of operation with a mean score of 4.09. Winer and Dhar (2011) stated that the hours the service is open serves as an indication of the organisation's dedication and commitment to customer satisfaction. This indicates that SAB is committed and dedicated to customer satisfaction. However, the mean score of 3.86 reveals that SAB customers are also expecting the employees to empathise and understand their specific needs. "The key to retailing success is to understand one's customers" (Grewal, Levy & Kumar, 2009).

5.2.1.6 Policy Dimension

Among all dimensions, policy was viewed as the least adequate factor by customers. On this dimension customers seem to be satisfied with the delivery days offered by SAB with the score of 4.13, the flexible payment terms offered and they seem to handle transactions and records properly. However, this

dimension had a highest level of dissatisfaction with an overall mean score of 3.52 and the lowest satisfactory item with a mean score of 2.82. These findings show that SAB needs to change its policy of merchandising and handling of returns and exchanges. "The most vexing problem facing retailers is the challenge of getting the right merchandise in the right quantities to the right stores at the time that customers want it" (Grewal, Levy & Kumar, 2009). "Returns management is an extremely important issue, causing reductions to profit of 3.8% per year"(Peterson & Kumar 2010). Throughout the strategic plan SAB policy needs urgent and prior re-positioning.

5.2.2 To Identify the Shortcomings that could be Amended to Improve Customer Satisfaction with Regards to Service Quality

By measurement of service quality, "a company is able to determine its areas of strengths and weaknesses that offer opportunities to the organisations to initiate suitable response to focus and improve prominent aspects of customer perceived service quality" (Khan, Muhammad & Asif, 2010). SERVQUAL scale items also identify areas in which strategic redeployment of resources may be warranted to improve service quality (Jemmasi, Strong, Taylor & Steven 2011, p.27). As can be seen from the research the dimension with the lowest mean score requires urgent re-engineering because it is identified as a shortcoming that should be amended.

In order of ranking from highest level of satisfaction to the lowest level of satisfaction, a high mean score indicates a higher level of service quality experienced. The policy dimension had the lowest level score of 3.52. Assurance, Empathy, Responsiveness and Tangible are related closely together with scores of 3.91, 3.92, 3.95 and 4.03 respectively. Reliability has the highest level of satisfaction with a highest mean score of 4.12.

Thus, in terms of the six dimensions SAB, performance is poor in terms of policy followed by assurance, with only tangibles and reliability achieving a satisfactory score of 4.12 out of a maximum score of 5. The possible explanation is that management of SAB should revise its policy of merchandising and handling of returns and exchanges.

5.2.3 To Determine the Relationship Between Service Quality and Customer Satisfaction.

The reliability analysis of this study was calculated using Cronbach's Alpha coefficient to test the relationship between service quality and customer satisfaction, internal consistency and reliability of all dimensions. According to the results the item of dimensions in this study were proved to measure a same construct and to be positively related with an overall Cronbach's Alpha Coefficient of 0.882. The results showed that alpha coefficient of the factors were above 0.70. The findings of this study confirm the reliability of the research instrument used in the study and also proved that superior service quality enhances customer satisfaction levels. Hence, there is a relationship between the two variables of service quality and customer satisfaction. These results correspond to findings of the study conducted by Siu, Cheung & Tak-Hing (2001).

5.2.4 Perceptions of Customers About the Service Offered by SAB

To further assess customer's perceptions about the service quality offered by SSAB, some respondents gave their various wishes and views as follows:

5.2.4.1 Customers were Asked to Make Comments and Suggestions as to How SAB could Improve its Services.

When measures of satisfaction are found in terms of characteristics, the survey is usually concluded with questions based on the overall satisfaction. It is important to constantly observe these satisfaction measures over time and to benchmark the result to the competition in order to regulate developments in different market areas and to ensure that customers are retained (Winer & Dhar 2011). The most common comments and suggestions from customers on how SAB can improve its service are as follows:

➢ Refund of damaged stock
➢ Regular offering of promotions
➢ Sponsorship of liquor outlets
➢ Sales Representatives to pay regular visits
➢ Implementation of Social Responsibilty programmes

5.2.4.2 In your Opinion What Is It That Brandhouse and Distell Do, That SAB Does Not Do?

➢ Distell and Brandhouse representatives do not visit at all
➢ Brandhouse does regular merchandising
➢ Distell allergies are credited, representatives visit, do promotions and merchandise

5.2.4.3 In your Opinion What Does SAB Do Better than Distell and Brandhouse?

➢ SAB offers discounts
➢ SAB offers timeous deliveries and a flexible payment method and easy account accessibility.
➢ SAB offers rebates on a seven day period.
➢ Distell and Brandhouse account not easily
➢ SAB is involved in business practices of customers

5.3 Summary

The findings of the study show that superior service quality plays a key role in determining customer satisfaction. The findings have helped to identify problematic areas of service quality that need improvement in order to enhance customer satisfaction. The opinions of customers on how SAB service quality can be improved serve as the basis to deduce valuable strategies that will enhance the quality of service offered in order to meet customers' needs. The findings also reveal the importance of constantly monitoring customer's needs and opinions about the service quality offered. The next and the final chapter deals with recommendations and conclusions of this study.

CHAPTER SIX

RECOMMENDATION AND CONCLUSIONS

6.1 Introduction

In this final chapter, a summary of the results of the analysis has been presented. This chapter begins by summarising the whole dissertation and provides conclusions of the study based on objectives. It discusses implications and recommendations for management and suggestions for further studies. It is concluded with limitations and areas of further research.

6.2 Summary and Conclusions to the Study

In the following section an executive summary of the study is discussed and conclusions of the study are provided.

6.2.1 Summary of the Study

The aim of the study was to assess customers' perceptions about service quality provided by SAB. To achieve this objective the researcher measured the dimensions of service quality to determine customer satisfaction and dissatisfaction levels and to identify the areas that need improvement. A quantitative approach was chosen as an appropriate research method for this study. A self-administered questionnaire covering five SERVQUAL dimensions and one additional dimension of Retail Service Quality Skills (RSQS) was used to accumulate information from using a stratified random sample of 103 customers that currently purchase SAB products. The sample was selected using the database of SAB Springfield, Durban as a sample frame. Data obtained was analysed using descriptive statistics in terms of distribution percentages to determine the level of satisfaction. The mean scores were used to identify the shortcomings that could be amended for re-engineering. Data was also analysed using inferential statistics in terms Cronbach's Alpha Coefficient to determine if there is a relationship between customer satisfaction and service quality. The study demonstrated that measuring service quality is a more useful strategic tool that can be used by management to assess customer satisfaction.

6.2.2 Conclusions of the Study

❖ **Are customers satisfied with the service offered by SAB?**

The primary objective of this study was to determine if customers are satisfied with the service provided by SAB. The first section of the questionnaire addressed this objective by measuring customer satisfaction against service quality dimensions. The study revealed that the overall service quality of SAB is 3.90 (Appendix 6). The highest score of satisfaction was 5 and 3.90 indicated average satisfaction level. It can be concluded that customers are satisfied with the overall quality of service provided by SAB but there is still room for improvement. The findings indicated that customers are most satisfied with reliability and tangible dimension. It can be drawn from the findings that customers are highly satisfied with the range of products offered by SAB, the friendliness of staff towards customers is acceptable and that SAB has been successful in providing service as promised. The findings indicate that customers have a more favourable impression of SAB's current service performance.

❖ **Are there any shortcomings that need to be addressed?**

In the study reliability dimension showed highest satisfactory levels followed by responsiveness, empathy and assurance which showed average satisfactory levels. The policy dimension showed the lowest level of satisfaction (mean score of 3.52). The other areas that indicated shortcomings are irregular offering of promotions, lack of visit by Sales Representatives and lack of staff knowledge about SAB products. The possible conclusion to this is that SAB management is failing to offer high quality merchandise and is not handling returns and exchanges according to customers' expectations. It can be drawn from the findings that SAB management is not paying attention to these aspects of service quality. In addition to this is that the poor performance displayed by Sales Representatives can affect the overall image of the organisation.

❖ **Is there a relationship between service quality and customer satisfaction?**

With the exception of policy dimension and tangibles, all service quality dimensions were proved to measure the same construct. The findings showed

that each dimension of service quality measured in this study influences the level of satisfaction. The higher the quality of service provided the higher the satisfaction levels. Cronbach's Alpha coefficient of 0.882 indicated a consistent relationship between customer satisfaction and service quality. It shows that all items measured a same construct.

6.3 Implications and Recommendations

The findings of the study reveal that SAB needs to re-engineer the areas that had lower levels of satisfaction. Most customers appeared satisfied with the reliability dimension, which is the timely delivery of services, truthfulness (keeping to promises), dependability in handling customer service problems and the ability to perform services right the first time. Although the other dimensions seem to be satisfactory, it serves as a sign of caution to the management, to consider methods whereby increased satisfaction of the customers in those dimensions is achievable. The findings of this study and recommendations for management that would be discussed below will not only benefit SAB but the following stakeholders within the South African liquor industry will also benefit:

➢ The Department of Economic Development will be able to initiate policies that are aligned with the stability of the industry
➢ The South African economy will continue to grow and remain stable
➢ Liquor outlets will have harmonious relationship with service providers which will help facilitate business profit
➢ Employees in the liquor industry will remain employed so that they can continue to provide for their families.

Furthermore the findings of this study served as the foundation to deduce the following recommendations to SAB.

- **Returns and Exchange**

The return policy in a service organization is important in satisfying customers. Customers specifically mentioned that they incur losses due to returns that are not replaced or credited. SAB needs to revise its plan of handling returns or ullages and devise a return policy. SAB should refund damaged or defective stock that is not in a suitable condition for sale. If the goods or products fail to be

of acceptable quality, the customers should be entitled to have the products returned. Some of the rules of the new policy may include acceptable period that the damaged product must be reported and returned.

- **Marketing and Communications**

Marketing and communications should be aligned to support strategies that focus on increasing customer satisfaction. It is therefore important that the organisation's promotions are well communicated, easy to redeem and valuable to customers. SAB should implement and provide promotional offers that are valuable to customers and that will solidify customer relationship. The findings showed that, most customers expect SAB to use promotion as a marketing tool to attract customers. This implies that SAB should offer promotions more regularly as customers carry a range of SAB products, hence monthly promotions should be offered to give customers a taste of products. Promotions are especially important when introducing new products. However, increasing promotional offers alone cannot drive overall customer satisfaction unless organisations invest in customer experience.

- **Customer Experience**

SAB can also improve the service by offering and implementing constant personal empowerment programmes. These programmes will make employees more aware of the importance of being attentive, concerned and responsive to customer's needs and wants. This can also be done by either implementing or improving current Customer Relationship Management (CRM). The key focus and the primary objective of CRM are to increase customer satisfaction. Customer experience drives customer satisfaction and distinguishes the organisation from competition. In addition to this SAB can create personalised marketing and targeted offers for customers to increase satisfaction levels in this area of service quality.

- **Products knowledge**

The findings show that the staff displays a lack of knowledge regarding SAB products and activities. SAB should introduce Skills Development Programmes that will enhance staff communication skills and product knowledge. This can be done through training courses such as the skills development programmes, brainstorming sessions, training and learning development strategies. These programmes can be used to ensure that the staff is confident and accurate when discussing the organisation's products with existing customers. Team managers should identify knowledge or skills gap among staff members and design appropriate activities.

- **Sales Representatives**

Sales Representatives can improve customer satisfaction through good customer account management and relationship building. Proper account management starts with understanding who the customer is and how he/she would like to be served. This sort of relationship culminates in trust and respect. Customers specifically called for the sales representatives to visit more often and they also suggested that SAB management should institute a policy of monitoring company representatives. Sales representatives can enhance their relationship with customers by studying individual customers business and learning what does and does not make the customer successful will enable the sales representative to spot deficiencies in customer's operation. This action can create an opportunity to increase customer satisfaction levels. Spending time with customers through regular site visits can also enhance customer satisfaction levels. This also shows that the customer is valued by the organisation. Lastly, SAB should make it a practice to conduct audits and update customers regarding their monthly sales perfomances.

- **Sponsorship**

It was very evident that customers want to be assisted with renovations. By doing this SAB could sponsor businesses with decorating material, such as table cloths and frames to attract customers. Painting of the outlets appeared to be of utmost importance.

- **Merchandising**

The findings showed that customers are not satisfied with SAB merchandising. SAB should invest in improving their core merchandising competencies. Merchandising gives organisations the tools and functionality they need to analyse, order, price and distribute merchandise for maximum return on investments. SAB can optimise levels of customer satisfaction sending exactly the right merchandise to the right outlet. The management should track the status of all merchandise that is conducted in each outlet. SAB could employ a merchandising team that would specialise in conducting point of sale material, shelf and cold room packaging and display.

- **Deliveries**

SAB should address the issue of shortages that occur during deliveries by training and giving drivers full responsibility to monitor the delivery crew and accountability thereof. Customers also mentioned that they experience delays in deliveries during peak season, especially in December. SAB should, therefore, employ more staff and deploy more trucks during December to ensure timeous deliveries and thus customer satisfaction. SAB could also offer customers early deliveries, more stock with extended credit and discount for outlets that receive their deliveries after hours.

- **Social Responsibility Programmes**

Customers suggested that SAB should develop and implement social responsibility programmes that would be proposed by liquor outlet managers and owners, to assist poor members of the community. In a nutshell, in order to maintain superior service quality and high customer satisfaction levels, regular service quality measurement needs to be conducted which will enable organisations to invent strategies that will improve such shortcomings.

6.4 Limitations and Areas of Further Studies

Although the study was conducted successfully, it had several limitations. Due to financial and resource constraints the study selected a small sample of 103 participants. SAB has several manufacturing and distribution plants around South Africa but due to limited period to gather information, the study was

carried out on the SAB Springfield Depot customers only. Durban City had the largest number of respondents which may have contributed to results drawn due to the location of respondents. The service offered to the city may be different to what is offered to townships because of the viability and potential of the business. Male respondents dominated the study which may have influenced the satisfactory results obtained. Male respondents' satisfaction levels were higher than female respondents.

Lastly, the respondents were from different cultures with different periods of business with SAB. Such factors may have contributed towards different perceptions of service quality and cause generalisation of results to be limited and biased. However, regardless of the limitations encountered, the study provides a foundation for future research.

The subject of customer satisfaction is very broad in scope and content. In this study, the focus was on customer satisfaction with regard to service quality offered by South African Breweries. However, as previously explained, this study focused on South African Breweries, Springfield. Hence, the findings of this study are not representative of the whole liquor industry but can nevertheless be considered as a first major step in providing the liquor industry in South Africa with the beginnings of assessment of customer satisfaction. Therefore, further studies should be conducted considering other liquor companies and other localities than Durban in South Africa. This will make it possible to make comparisons of any trend of customer satisfaction, particularly service quality.

In future a study in the liquor industry should be conducted using a balanced sample in terms of gender. In addition to this, comparisons of service quality offered to locations should also be conducted. Finally, more studies can be conducted at SAB that would include all branches within South Africa with a larger sample size. Repositioning and further research should be conducted in order to enhance an organisation's competitive advantage.

6.5 Summary

The findings of this study show that the performance of SAB in the liquor industry is perceived in a positive light by liquor outlets. SAB has been able to provide superior service quality to their liquor outlets. Dimensions such as empathy, policy, assurance and responsive need urgent repositioning. These issues could be prioritised as the most important ones for improvement and achievement of highest level of customer satisfaction.

The results confirm that superior service quality leads to highest levels of customer satisfaction. Results offer valuable understanding and vision to other companies within the liquor industry and can assist them to advance policies to increase their effectiveness and competitiveness. Based on the findings acquired, it can be concluded that:

Customers have highest satisfaction levels on the range of products offered by SAB, staff friendliness, the waiting time, handling of complaints, flexible payment methods, providing enough delivery days, error free sales transactions, promptness of service and performing service right the first time. The dimension reliability and tangible was testified to be highly satisfactory by the participants and, therefore, did not require significant developments in their performance. The lowest levels of satisfaction were conveyed at the willingness of staff to respond to customer's needs and requests and to assist customers with information on products. These issues could be prioritised as the most essential ones for providing better and enhanced service quality to customers.

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APPENDICES

Appendix 1 : Turnitin Report

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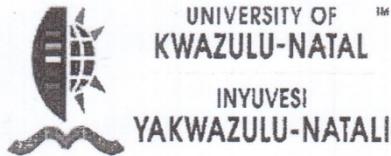
21 November 2013

Mrs Ncediwe J Ntshingila (9261144)
Graduate School of Business & Leadership
Westville Campus

Protocol reference number: HSS/1036/013M
Project title: An assessment of service quality and customer satisfaction at South African Breweries (SAB)

Dear Mrs Ntshingila,

Retrospective – Expedited Approval

The documents submitted have been accepted by the Humanities & Social Sciences Research Ethics Committee and **FULL APPROVAL** for the protocol has been granted.

Please note: Any further / future violation of the UKZN Code of Ethical Conduct will result in a disciplinary action.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

....
Dr Shenuka Singh (Chair)

/ms
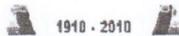
cc Supervisor: Mr Christopher Chikandiwa
cc Academic Leader Research: Dr E Munapo
cc School Administrator: Ms Wendy Clarke

Appendix 3 : Informed Consent letter

Informed Consent Letter 3C

UNIVERSITY OF KWAZULU-NATAL
GRADUATE SCHOOL OF BUSINESS AND LEADERSHIP

MBA Research Project
Researcher: Ncediwe Ntshingila 0735123323
Supervisor: Christopher Chikandiwa
Research Office: Ms P Ximba 031-2603587

Dear Respondent,

I, Ncediwe Jeruel Ntshingila an MBA student, at the Graduate School of Business and Leadership, of the University of KwaZulu Natal, hereby invite you to participate in a research project entitled: An Assessment of Service Quality and Customer at South African Breweries (SAB). The general purpose and the aim of the study is to evaluate service quality at SAB. The study will then provide recommendations thereof.

Through your participation I hope to understand whether customers are satisfied or dissatisfied with the quality of service offered by SAB and to identify the shortcomings that could be amended to improve customer satisfaction with regard to service quality. Identifying service quality gaps and problems will help SAB and other organizations in the liquor industry to review the service and accurately target areas that need improvement and re-deploy resources into areas that are underperforming.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in this survey/focus group. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership, UKZN.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me or my supervisor at the numbers listed above.

The survey should take you about 30 minutes to complete. I hope you will take the time to complete this survey.

Sincerely

Investigator's signature_____ Date_____

MBA Research Project
Researcher: Ncediwe Ntshingila 0735123323
Supervisor: Christopher Chikandiwa
Research Office: Ms P Ximba 031-2603587

<u>**CONSENT**</u>

I .... hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT   DATE

………………………………………………………………………………………

This page is to be retained by researcher

SAB
The South African
Breweries

East Coast Region
The South African Breweries (Pty) Ltd
9-25 Jeffels Road, Prospecton West 4110
Tel (031) 9101111 Fax (031) 9101459

27 November 2013

Dear Mrs Ntshingila,

We are in receipt of your MBA Research Project Informed Consent Letter. We have no objection to you approaching our customers for your field study.

We wish you luck with your MBA Project.

Yours Faithfully

Khulile Mhlongo
Sales Manager : District North Coast
082 921 7478

Appendix 5 : Questionnaire

QUESTIONNAIRE: PART A: SERVICE QUALITY : Please circle 1 if you strongly disagree with the statement and 5 if you strongly agree. A score of 3 represents a neutral feeling and perception about the services offered by SAB.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Tangible					
T1: The range of products offered by SAB is good	1	2	3	4	5
T2: The Staff is friendly, polite and helpful	1	2	3	4	5
T3: The average waiting time is short	1	2	3	4	5
T4: SAB offers promotions regularly	1	2	3	4	5
Reliability					
R5: SAB staff provides service (deliveries) at a right time	1	2	3	4	5
R6: SAB staff provides service as promised	1	2	3	4	5
R7: SAB staff is dependable in handling customer service problems	1	2	3	4	5
R8: SAB staff performs service right at the first time	1	2	3	4	5
Responsiveness					
RS8: The staff responds to customer complaints instantaneously	1	2	3	4	5
RS9: The staff displays concern and desire for assisting customers	1	2	3	4	5
RS10: The staff is always ready and keen to respond to customers' requests	1	2	3	4	5
RS11: SAB staff provides prompt services	1	2	3	4	5
RS12: SAB staff is always willing to help customers	1	2	3	4	5
RS13: SAB staff is always available to respond to customer	1	2	3	4	5
Assurance					
A14: SAB staff attitude towards customers is acceptable	1	2	3	4	5
A15: SAB staff instills confidence in customers	1	2	3	4	5
A16: SAB staff tells customers exactly what will be performed	1	2	3	4	5
A17: SAB staff have sufficient knowledge to answer customer questions	1	2	3	4	5
Empathy					
E18: SAB staff is friendly making it easy to communicate with	1	2	3	4	5
E19: SAB sales staff is patient and gives individual attention to customers	1	2	3	4	5
E20: SAB staff understands each customer's needs	1	2	3	4	5
E21: SAB staff deals with customers in a caring manner	1	2	3	4	5
E22: SAB offers flexible and convenient operating hours	1	2	3	4	5
Policy					
P23: SAB Sales staff offers high quality merchandise	1	2	3	4	5
P24: SAB credit staff offer error free sales transactions and records	1	2	3	4	5
P25: SAB credit staff accepts flexible terms of payment	1	2	3	4	5
P26: SAB willingly handle returns and exchange	1	2	3	4	5
P27: SAB offers enough delivery days to customers	1	2	3	4	5

QUESTIONNAIRE : PART B

CUSTOMER SATISFACTION: COMMENTS/ RECOMMENDATIONS

1. Please feel free to make any comments and suggestions, as to how SAB can improve its services to you.

_____

_____

_____

_____

_____

_____

_____

2. In your opinion what it is that Brandhouse and Distell do, that SAB does not do?

_____

_____

_____

_____

_____

3. In your opinion what does SAB do better than Distell and Brandhouse?

_____

_____

_____

_____

_____

QUESTIONNAIRE : PART C : DEMOGRAPHIC : CUSTOMER PROFILE

This information will exclusively be used for research purpose and in no case will be disclosed to anybody. Please tick the appropriate box

1. Gender

Female		Male	

2. Nationality

Black	White	Asian	Coloured	Other

3. Age

Below 25	
26 to 35	
36 to 45	
46 to 55	
Above 55	

4. How long have you been purchasing from SAB

Less than 2 years	
3 to 6 years	
7 to 9 years	
More than 10 years	

5. Type of Business

Tarven	
Restaurant	
Bottle Store	
Wholesale	

Appendix 6 : Map

MAP OF DURBAN AND SURROUNDING AREAS
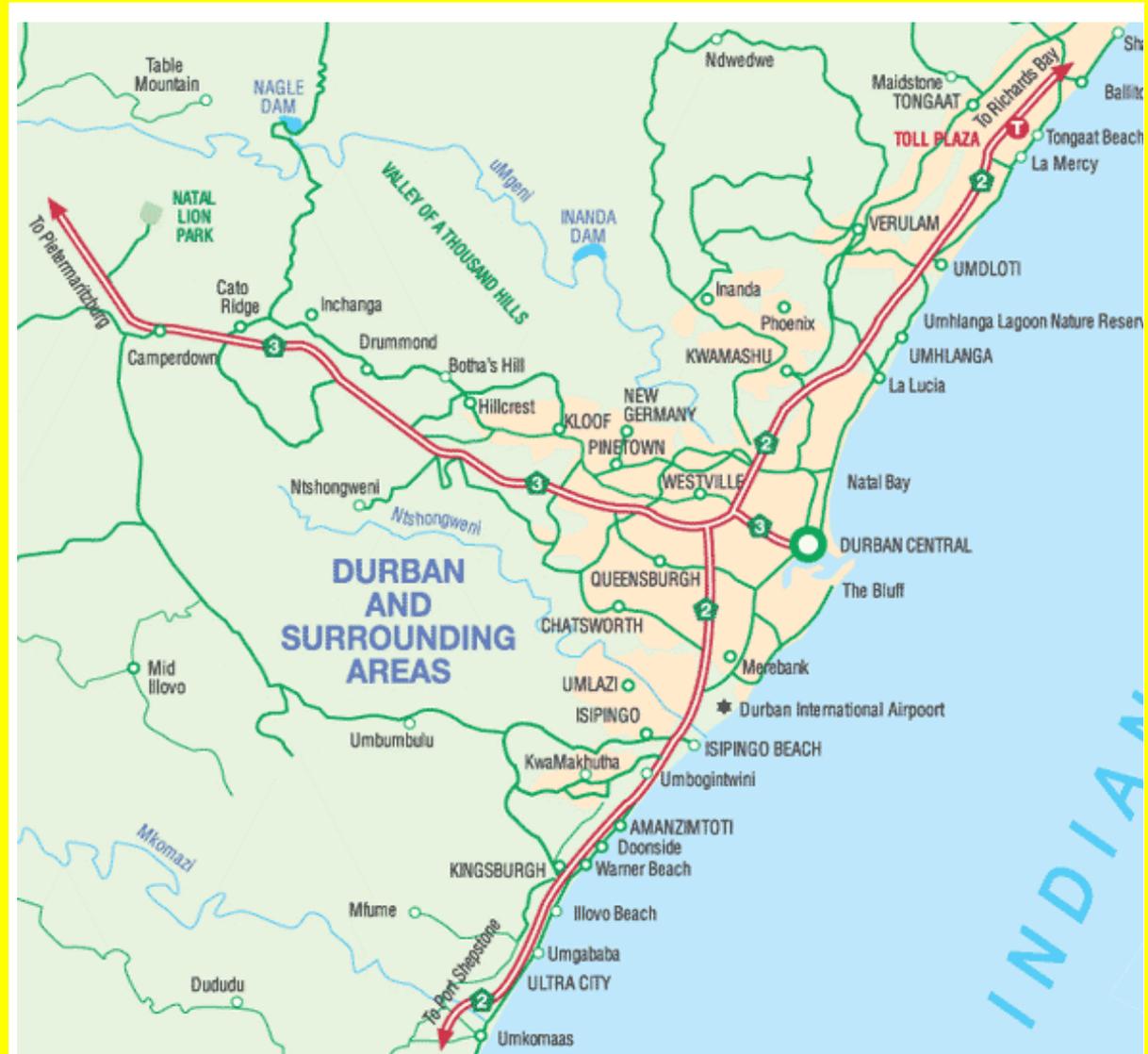
Adapted from Sonke Foundation

Appendix 7 : Editor's Letter

To Whom it may concern:

I have proofed the dissertation of Ncewide Ntshingila to the best of my ability and within the time constraints. It is left entirely to the student's discretion whether or not they accept the suggestions and institute the checking process suggested.

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27 November 2013

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Appendix 8 : Descriptive Measures Table

Statistics

	N						Percentiles		
	Valid	Mean	Mode	Std. Deviation	Minimum	Maximum	25	50	75
The range of products offered by SAB is good	103	4.50	5	.684	1	5	4.00	5.00	5.00
The Staff is friendly, polite and helpful	103	4.29	4	.666	1	5	4.00	4.00	5.00
The average waiting time is short	103	4.10	4	.798	1	5	4.00	4.00	5.00
SAB offers promotions regularly	103	3.21	5	1.377	1	5	2.00	3.00	4.00
SAB staff provides service (deliveries) at a right time	103	4.20	4	.746	1	5	4.00	4.00	5.00
SAB staff provides service as promised	103	4.22	4	.699	1	5	4.00	4.00	5.00
SAB staff is dependable in handling customer service problems	103	4.06	4	.698	1	5	4.00	4.00	4.00
SAB staff performs service right at the first time	102	4.00	4	.731	2	5	4.00	4.00	4.00
The staff responds to customer complaints instantaneously	103	3.96	4	.766	1	5	4.00	4.00	4.00
The staff displays concern and desire for assisting customers	103	3.92	4	.737	1	5	4.00	4.00	4.00
The staff is always ready and keen to respond to customers' requests	103	4.02	4	.671	1	5	4.00	4.00	4.00
SAB staff provides prompt services	103	3.93	4	.704	2	5	3.00	4.00	4.00

SAB staff is always willing to help customers	103	3.94	4	.698	1	5	4.00	4.00	4.00
SAB staff is always available to respond to customer	103	3.96	4	.713	1	5	4.00	4.00	4.00
SAB staff attitude towards customers is acceptable	103	4.05	4	.677	2	5	4.00	4.00	4.00
SAB staff instills confidence in customers	103	3.86	4	.728	2	5	3.00	4.00	4.00
SAB staff tells customers exactly what will be performed	103	3.79	4	.800	1	5	3.00	4.00	4.00
SAB staff have sufficient knowledge to answer customer questions	103	3.91	4	.658	3	5	3.00	4.00	4.00
SAB staff is friendly making it easy to communicate with	103	3.92	4	.776	1	5	3.00	4.00	4.00
SAB sales staff is patient and gives individual attention to customers	103	3.72	3[a]	.923	1	5	3.00	4.00	4.00
E20: SAB staff understands each customer's needs	103	3.86	4	.841	1	5	3.00	4.00	4.00
SAB staff deals with customers in a caring manner	103	4.03	4	.633	3	5	4.00	4.00	4.00
SAB offers flexible and convenient operating hours	103	4.09	4	.612	2	5	4.00	4.00	4.00
SAB Sales staff offers high quality merchandise	103	3.03	4	1.346	1	5	2.00	3.00	4.00

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	N	Mean	Mode	Std. Deviation	Minimum	Maximum	25	50	75
SAB credit staff offer error free sales transactions and records	103	3.42	3	.880	1	5	3.00	3.00	4.00
SAB credit staff accepts flexible terms of payment	103	4.19	4	.715	1	5	4.00	4.00	5.00
SAB willingly handle returns and exchange	103	2.82	1	1.399	1	5	2.00	3.00	4.00
SAB offers enough delivery days to customers	103	4.13	4	1.035	1	5	4.00	4.00	5.00
Please feel free to make any comments and suggestions, as to how SAB can improve its services to you.	103								
In your opinion what it is that Brandhouse and Distell do, that SAB does not do?	103								
In your opinion what does SAB do better than Distell and Brandhouse?	103								
Gender	103	1.58	2	.496	1	2	1.00	2.00	2.00
Race	103	1.84	1	.916	1	3	1.00	1.00	3.00
Age	103	3.14	3	.919	1	5	2.00	3.00	4.00
How long have you been purchasing from SAB?	103	3.39	4	.795	1	4	3.00	4.00	4.00
Type of Business	103	2.51	3	.895	1	4	2.00	3.00	3.00

a. Multiple modes exist. The smallest value is shown