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Customer expectation, satisfaction and loyalty among SA grocery retail

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DECLARATION

I, Mfundo Sicelo Dlamini, declare that this research article is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

SIGNATURE:

Signed at: Parktown

On the 18th June 2019

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Abbreviations

- **SOW** **Share of Wallet**
- **SOV** **Share of Visit**

ABSTRACT

This study investigates the grocery retail sector in South Africa and what factors drive consumer behaviour. The literature emphasises the importance of understanding what shapes customer satisfaction and how this creates customer satisfaction that can then lead to customer loyalty. A quantitative approach was used for this study and questionnaires used to collect data.

The study revealed that customer satisfaction was largely and solely impacted by expectation, the study investigated the impact of convenience, service, promotion, store atmosphere and expectation on customer satisfaction. Only expectation showed an impact on customer satisfaction, as satisfied customers displayed stronger loyalty behaviour. This was in line with the literature used in the compilation of the literature review and answered the overall research question of "Does customer satisfaction impact customer loyalty?"

Future studies need to explore the gap in research of the impact of quality on customer satisfaction. An analysis of how the internet impacts the buying process also needs to be done as two thirds of purchases in the physical channel start online and there's an advent of price comparison mechanisms.

Keywords: customer satisfaction, loyalty, expectation, convenience

CUSTOMER EXPECTATION, SATISFACTION AND LOYALTY AMONG SA GROCERY RETAIL

Chapter 1. INTRODUCTION

Background to the Study

Customer expectation and satisfaction are popular terms that have been used and studied extensively (Carpenter, 2006). Customer satisfaction has been covered by academics, practitioners and consultancies as a way of measuring the direct correlation to customer loyalty (Landsbergh, 2018). Palmer (2010) adds that it more effective for business to keep repeat business than to try to attract new business (Palmer, 2010). Satisfied customers are more engaged and the retailers are able to extract greater value from them (Landsbergh, 2018).

Hill (2003) highlights how there has been many advances in production due to improvements in production capabilities driven by the need for improved profits. Alongside the improved production there have seen an increase in quality, driven by technology and the introduction of control measures such as six sigma and ISO (Hill, 2003). In recent times has shown also the introduction of net promoter score (Van Doorn, 2010) and customer expectation management which focus on classifying your customers as either promoters of your business, neutral or detractors. (Schneider, 2008)

Satisfaction is a post-choice evaluative judgement of the purchase conditions, however customers want a consistent experience (McCamley, 2018). As Gary (2004) revealed in his study, the understanding of customer satisfaction is somewhat different in the South African context. Not all purchase decisions are arrived at in the same manner by users as Masojada (2018) highlights how customers are driven by the need for convenience in a time-starved lifestyle. Of the customers surveyed, 40% stated that they wanted products that make their life easier, 36% wanted products that are convenient to use, 25% wanted products for families and small households, and 20% wanted products tailored for specific needs (Masojada, 2018).

McCamley (2018) states that customers seek value as a necessity where the best product is sought at the best price. Customers seek to be entertained, stimulated, engaged and rewarded for their shopping efforts, shopping about the overall experience and how rewarding it is for the customer (Masojada, 2018; McCamley, 2018).

Even though online shopping is 1% of total sales in retail in South Africa, this drives the need for retailers to better understand their customers (Landsbergh, 2018). McCamley (2018) adds that the township economy accounts for R71bn annually, and notes it is growing at 8%. It points to ever-changing customer demographics, dynamics and preferences, and the need for knowledge on how to cater to customer needs (McCamley, 2018).

1.1 Context of Study

As Gary (2004) stated in his study, the understanding of customer satisfaction is somewhat different in the South African context, not all decisions are arrived at in the same manner by users. Masojada (2018) highlights how customers are driven by the need for convenience in a time-starved lifestyle where the customers surveyed 40% stated they wanted products that make life easier, 36% wanted products that are convenient to use, 25% products for families & small households and 20% wanted products tailored for specific needs (Masojada, 2018)

1.2 The Purpose of the Study

Jonker (2017) evaluates the number of retailers closing retail outlets in 2017, as well as numerous malls further loosing strategic tenants. The adverse trend can attributed to a lack of understanding what the customer wants over and above the economic pressures faced locally (McCamley, 2018).

McCamley raises the question of how do we enhance the shopping experience when 2/3 of customers browse goods on their phone and then go in store to purchase the product (McCamley, 2018)?

This study focuses on the customer as a key stakeholder in the satisfaction process and outcome, on customer expectation, and how customer expectation and satisfaction shape customer loyalty. The study seeks to expand knowledge and insight on local consumer behaviour, particularly in terms of customer satisfaction and expectation. The study focuses on the South African grocery shopping experience.

1.3Problem Statement

As such, the following research questions are addressed:

1. What are the factors that impact customer satisfaction?
2. To what extent does customer satisfaction determine customer loyalty?

1.4 Significance of the Study

The study contributes to the empirical understanding of the effect customer expectation and satisfaction has on customer loyalty, with particular focus on the South African context. Most studies that exist are international and do not have an understanding of the unique service levels specific to South Africa.

Terblanche (2006) looked at applying the American Customer Satisfaction Index (ACSI) to the South African motor-vehicle and fast-food markets, to juxtapose decisions of high and low involvement.

1.5 Delimitations of the study

Reardon (2007) states that income is a predictor of human behaviour. Individuals with above minimum incomes use other means of measurement when spending. The target audience for this study consists primarily of affluent consumers who do not make their store selection based purely on price sensitivity and bargain hunting (Reardon, 2007).

The study will focus is on grocery shopping which is defined by (Puccinelli, 2009) as shopping that focuses primarily on buying food. The retailers considered are Pick n Pay, Checkers & Woolworths. According to BizTrend (2018) Pick & Pay, Checkers & Woolworths have 63% a dominant portion of the middle-income market in South Africa, and for this reason they'll be the focus of the study.

Chapter 2. LITERATURE REVIEW

2.1 Convenience

Service quality comes from what the customer expected prior to the service and what they actually experienced, the customer comes with expectations in mind and they rate any service received against what they expect (Carpenter, 2006). Furthermore Carpenter (2006) defines expectation as what the company should offer and what other companies have offered. Pucinnelli (2009) further adds that the zone of expectation is the difference between adequate service and what customers expect, concepts that will explore further explored in the study. There is a need to explore the constructs of expected, adequate and perceived levels of service as these are the pillars of satisfaction and it's the ability of retailers to cater to these that customer satisfaction is achieved (Carpenter, 2006; Pucinnelli, 2009).

Moeller (2009) hypothesises convenience as combination of the construct of decision, access, search, transaction and after sales service. These constructs combine to influence customer loyalty and can be measured through share of wallet (SOW) and share of visits (SOV). All these combine in avoidance of time and effort which are the ultimate measures of convenience (Moeller, 2009). Moeller (2009) goes on to further distinguish the difference between behavioural loyalty (SOW & SOV) and attitudinal loyalty which is the intention to exit the relationship (Moeller, 2009)

Jones (2007) adds that customer loyalty and retention are the same concept, loyalty is from the customer perspective of how they perform repeat purchases, retention is from the retailer perspective and how the customer comes back to the shop. Furthermore how we increase their SOW and SOV especially for something as routine as grocery shopping an activity that could be performed anywhere due to the heterogeneity of the products on offer (Jones, 2007)

Carpenter (2006) states that convenience is one of the highest attributes that factors into choice and loyalty when it comes to store selection. When a customer is considering their choice, the one that is the most convenient is the primary choice especially if the offering is homogenous (Puccinelli, 2009). Moreover, service received in store part of the shopping experience yield a negative effect on choice as customers are able to separate the service from the product if the offering is convenient for them (Carpenter, 2006). Berry (2002) adds that attributes, features convenience, merchandise, promotion, location, physical facilities & atmosphere are environmental factors that affect the experience. Ryu (2011) further adds that the physical environment has a sizeable effect on disconfirmation. Understanding better store attributes would allow for a better marketing mix by readily having available what customers find useful (Ryu, 2011). Grocery shopping is routine habitual purchase decisions that has a low decision making involvement. (Pucinnelli, 2009; Moeller 2009; Carpenter, 2006; Berry, 2002)

In the South African context, shoppers consider appearance, merchandise, in store service, atmosphere as important factors that are important for a customer making their choice Tlapane (2009). Physical facilities and post-sale service were also significant factors for the customer (Tlapane, 2009). In India, the emphasis is more on ease of access, security while shopping, additional facilities, trading hours and one stop shopping (Jayasankaprasad 2010) Golinelli (2004) adds that the country's economic situation can also be an important indicator as to what shoppers deem important to them. Moreover the mood of a country can affect how we feel about spending, in recessionary times because customers are more price sensitive even if the effects aren't felt on their personal pockets (Golinelli, 2004). Even consumers with disposable income enter into savings mode. (Tlapane, 2009; Jayasankaprasad, 2010; Golinelli, 2004)

2.2Store Layout & Product Mix

Store layout has been shown to be important as it affects information processing and decision-making processes (Tlapane, 2009). The ease of flow of the store is important as currently customers spending more time in store but spending less financially (Golinelli, 2004). Ryu (2011) adds that customers spend more time immersed in the shopping experience and increasing SOV is resultant in an increase in SOW. Within the South African context crowd density, staff training and attitude and impulse buying influences buying behaviour in customers (Ryu, 2011; Tlapane, 2009; Golinelli, 2004).

Vrechopoulos (2004) adds that the layout of a store can create an appealing or not so appealing image to the customer where a customer can even feel crowded and overwhelmed. Customer loyalty is achieved when the image of the store is desirable and in line with what the customer desires (Tlapane, 2009; Vrechopoulos 2004).

Vrechopoulos (2004) further states that when creating a store layout, one should consider: personal interaction, physical appearance, problem solving and convenience. Strong store appearances offers recognition, familiarity, confidence which make it easier for the buyer to make their buying decisions (Vrechopoulos, 2004). Butt (2000) states that displays are for more than promotional purposes, customers are more likely to shop in a store with friendly graphics and displays also shown in Figure 1.1 by Butt (2000). (Vrechopoulos, 2004; Butt, 2000)

Kacen (2012) and Zeithaml (1993) both highlight that merchandise is a mix of price, quality and assortment, the greater the mix the more likely the store is to meet the needs of the customer. This mix caters to the customer's need for convenient one stop shopping where customers are trying to get the best possible quality at the most reasonable price available. (Kacen, 2012)

Pucinnelli (2009) states that promotion is the activity of price reduction or value creation by bundling of options to create value for the customer through promotions such as in-store specials, combinations at a lower cost, redeemable coupons, special sales offers. Kacen (2012) further shows how promotions can be used to attract higher volumes of customers where a loss is made on a specific line item with the understanding that the loss will be recouped when the customer sees other offers available in the store. Promotions encouraged greater foot traffic in large malls or shopping spaces whilst price & sales created customer loyalty in small and medium centres (Pucinnelli, 2009; Kacen, 2012; Butt, 2000)

Grewal (2003) adds that service experience includes factors such as the service of the staff, their friendliness, knowledge of the products and the ease of the return policy in the store and the availability of store credit further illustrated by **Figure 1.1** below. These factors translate into stronger preference. Furthermore, waiting can lead to a negative in store experience and customers abandon shopping expeditions if they feel the que is too long, or they are not getting the correct assistance (Selema, 2018).

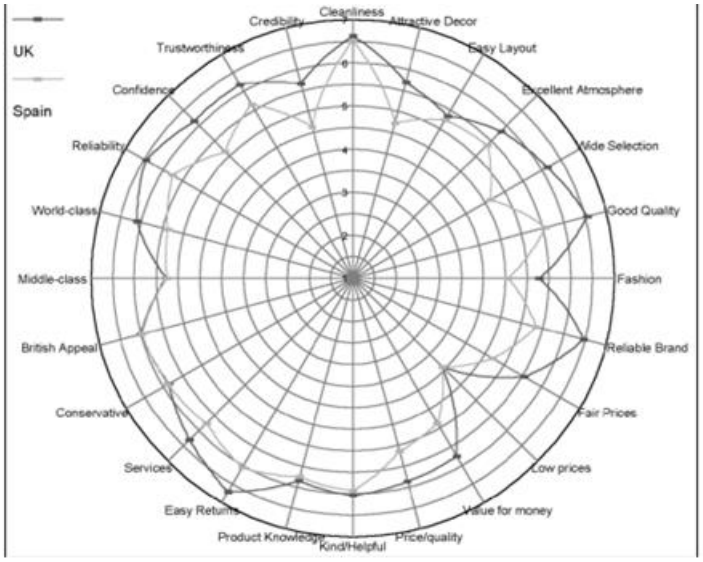

Figure 1.1 Attributes customers consider in store selection (Burt, 2000)

2.3 Expectation & Service

Johnston (1995) states that expectation based evaluations are not uniform in nature because expectation is a subjective process. The states of expectation are: satisfied/adequate, delighted/positive disconfirmation or dissatisfied/negative disconfirmation (Johnston, 1995). A difference exists between satisfaction and perceived service, satisfaction is specific to the transaction and may be positive even when the overall perceived experience of the service is bad (Flint, 2011). A consumer can form an attitude towards a product or a service they're yet to consume, which can be considered as part of desired service (Puccinelli, 2009)

Flint (2011) states that service quality can be defined as the gap between a customer's expectation & the actual service they receive. Thus expectation can be termed as desired service, which is the service level the customer hopes to receive. Service expectation is a blend between **can be** and **should be** based on a perceived cost by the customer. Customers have a set standard in mind, but that's not always possible thus they then have a lower tolerable level in mind which can be termed adequate service (Zeithaml, 1993)

Customers have differing tolerance zones across different attributes such as: reliability, responsiveness, assurance and tangibles. A customer may have a narrower tolerance zone for service reliability but have a wider zone for responsiveness (Flint, 2011). What's more, service reliability may affect the customer's ability to utilize or enjoy the service, but the responsiveness may not necessarily affect consumption, so customers would have a wider zone of tolerance (Zeithaml, 1993). The changes in the customer's zone of tolerance is a function of the changes in the levels of adequate levels of service, the lower your expectation of adequate service so to a corresponding change in your zone of tolerance. Tolerance moves incrementally due to accumulated experiences. (Flint, 2011; Zeithaml, 1993)

2.4 Antecedents of Desired Service

Jones (2007) illustrates how customer expectation is as wide as their education, values and expectations. An advert that says personal service to one may be an over promise to another (Jones, 2007). Enduring service intensifiers are stable factors that lead a customer to heightened sensitivity to service (Jones, 2007). Flint (2011) and Zeithaml (1993) both state that the customer's own philosophy on service may

be a driving factor on how they perceive service, if a customer is in a service industry and they perceive themselves to have a high service standard, they'd then expect similar or better service from those serving them. The personal needs of the customer also define and shape the desired service (Jones, 2007; Flint, 2011; Zeithaml, 1993).

2.5 Antecedents of Adequate Service

Environmental factors that are transitory can serve as service intensifiers such as emergencies heighten the level of required adequate service level especially responsiveness. If a customer is doing an emergency shopping trip of basic goods, the visit would be different than if it was just a top up shopping trip (Flint, 2011). Another factor would be whether it's an initial visit for a specific item or a follow up visit for the same item then the adequate service level requirement would be higher the second time around for the same problem (Zeithaml, 1993).

Blut (2015) states that perceived service alternatives are customers' perceptions to the level of alternatives which they can get better service elsewhere. Their adequate service levels may be higher than those of clients who do not think that they can get the same service elsewhere. The service level may also factor in switching costs (Blut, 2015)

Nadiri (2005) asserts that self-perceived service role is the level to which the customer influences the level of service they receive. The provision of the service depends critically on the customer's participation and this shapes their expectation based on how the customer feels they are performing. An example of this would be if the customer has to specify the ingredients & design of a cake they want and how failure to supply the correct details would affect their ability to get the right product at the end (Nadiri, 2005). Zeithaml (1993) goes further to then expand the zone of tolerance when the customer feels they're not fulfilling their obligation and when they feel they are doing their part the adequate service level is heightened (Nadiri, 2005; Zeithaml, 1993).

Pucinnelli (2009) and Bell (1998) assert that situational factors can be defined as service-performance contingencies that the customer perceives are beyond the control of the service provider. If there is a major shortage of long life milk and many other grocers are also affected, you'd be forgiving as there are other customers that are also affected (Bell, 1998). The customer would accept that these contingencies are not the fault of the grocer and therefore the adequate service level would be lower in the given context. (Pucinnelli, 2009Bell, 1998)

Please refer to Figure 1.2 illustrating Gap 5 as the difference between perceived service and the expected service received factoring desired and adequate minimum service level.

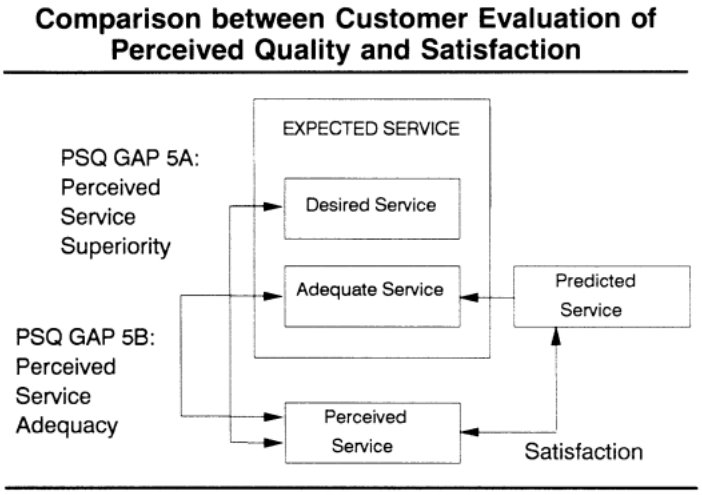

Figure 1.2 Customer Evaluation of Perceived Quality & Satisfaction (Zeithaml, 1993)

According to Zeithaml (1993) the comparison between desired service and perceived service is perceived service superiority gap. The gap between adequate service and perceived service is termed the perceived service adequacy gap. The smaller the gap between perceived service and the desired service, the more superior the retailer is as they're more consistently meeting expectation. These two service quality assessments (perceived service superiority and perceived service adequacy) replace the single gap model. (Zeithaml, 1993)

Flint (2011) adds that customer satisfaction is different from service quality assessment. If customers predict good service, then their adequate service level predictor is higher (Flint, 2011). Past-experience of the focal service is a force in shaping predictions and desires (Flint, 2011). Furthermore Zeithaml (1993) asserts that the experience relevant for prediction may be relevant the focal retailer's service or another branch within the same chain or exposure to any provider within the chain/franchise (Zeithaml, 1993).

2.6 Zones of Tolerance

Johnston (1995) suggested evaluation of expectation in zones not as explicit points on scale. The measurement of zone tolerance differs according to what the expectation of the customer are (Johnston, 1995). Positive disconfirmation has a far greater impact on satisfaction than negative disconfirmation has on dissatisfaction. Customers are tolerant of some negative attributes before they can express their outright dissatisfaction (Johnston, 1995). Nadiri (2005) defines the zone of tolerance as the pre-performance expectation of the minimum tolerable, ideal, deserved desirable and adequate service. Johnston adds that zone inference means that customers may accept variations within the zone (Nadiri, 2005).

2.7 Loyalty & Customer Satisfaction

Equity theory is when the consumer compares his/her investment to the outcome relevant to that of theirs/friends around them (Cappelen, 2014). If they perceive that the outcome is not fair, then they shall feel the deal is not fair (Cappelen, 2014). If someone else were to get a better car for the same price at the same dealer then the consumer would be unsatisfied with their purchase as they would feel they haven't gotten equitable returns for their investment. (Cappelen, 2014)

Jones (2007) manifestations of loyalty can be altruism, identification, advocacy, willingness to pay more and a strength for preference. Palmer (2010) adds that loyalty can lead to more predictable profit streams, loyalty has always been classified by repurchase or switching intentions. There needs to be to measure all dimensions of loyalty to differentiate from habitual purchasers and variety seekers. Exploring service loyalty from the perspective of interpersonal relationships to further understand how the human relationships within the retails space affect loyalty. (Jones, 2007)

2.8 Switching Costs & Customer Satisfaction

Blut (2015) states that switching costs are the one-time cost that a customer attributes to switching to an alternate service provider different from the focus provider. There are 3 costs financial costs, procedural costs, and relational switching costs (Blut, 2015). Coupled with it relational switching costs relate specifically to the loss of relationships formed and the identity that a customer has formed with the store and its employees (Selema, 2018). Furthermore the switching cost that strongly relates to customer satisfaction and is a strong indicator of repurchase intentions. Second amongst the costs is the procedural costs and least amongst these factors are the financial costs (Selema 2018; Blut, 2015). Selema (2018) draws on the fact that an increase in the cost of switching may grow repurchase intention and behaviour, but weaken the link between customer satisfaction and repurchase. A context specific understanding is key to getting the mix right (Blut, 2015)

Plott (2005) states that financial and relational switching costs result from positive constraints such as the loss of special treatment, accumulated points forgone privileges (Plott, 2005). Procedural comes from negative constraints such as travel time, search effort, getting to know a new provider and accumulating points again. Zeithaml (1993) further adds that positive constraints are benefits forgone and negative ones are actual costs associated with making the switching decision. Switching costs can have the lock-in factor where customers remain fixed to a certain provider/service not because they're happy with the service but because the cost of going anywhere would be too high this may even the loyalty points accumulated (Plott, 2005). This infers that even if the satisfaction in declining repurchasing will continue because the switching costs faced would be too high a view supported by Reichheld (1993).

Costs of staying are also present and are associated with a lack of variation, boredom and curiosity and these factors can lead the customer to make irrational purchase behaviour (Plott, 2005). This switch can happen regardless of the switching costs and sometimes the customer could be switching to a lower alternative especially when the switching costs are lower even though their satisfaction with the focal retailer remains the same (Plott, 2005; Flint, 2011). Therefore according to Flint (2011) if the switching costs are higher than the customer is willing to tolerate would need to change to a provider with a higher satisfaction (Flint, 2011).

Nagengasta (2014) states that customers with low switching costs switch for reasons either than satisfaction, the link between satisfaction and repurchase is weak. Customers with high switching costs will remain irrespective of their satisfaction. For these customers the link between satisfaction and repurchase is also weak (Nagengasta, 2014). Furthermore Nagengasta (2014) states that it is when the switching costs are intermediate that the link between repurchase and satisfaction is the highest. Switching costs moderate the relationship between satisfactions and repurchase. (Nagengasta, 2014)

Plott (2005) asserts that individuals are loss averse and tend to place more emphasis on a loss than on a gain of the same amount. Thus resulting in the endowment effect in which customers place greater emphasis on an object/service they possess than an identical object they do not possess, therefore creating a status quo bias. (Plott, 2005)The transaction cost perspective also bring in the element of switching costs where customers may consider the cost of switching providers too high so they remain loyal even though they're dissatisfied (Flint, 2011)

2.9 Conclusion of Literature Review

A customer asses service performance based on two standards, based on what they expect and what they deem acceptable and within the zone of tolerance that separates desired service from adequate service (Plott, 2005) . Furthermore the zone of tolerance is a subjective range that expands and contracts within the same customer. A positive relationship exists between the level of personal needs & desired service. How much something is needed can determine the need for it and what expectations are (Zeithaml, 1993). As Writz (2004) states that in the presence of transitory service intensifiers, the adequate service level is increased and the zone of tolerance narrows and this would need to largely inform how we deal with service failures (Wirtz, 2004). The customer is concerned with speed and procedural fairness when dealing with these failures (Wirtz, 2004)

The higher the customer's perceived self-service role the higher the service role, by involving the customer in the process it allows them to take ownership of the outcome (Nadiri, 2005). Situational factors temporarily lower the adequate service level and if retailers are able to rise above these factors and provide even a reduced service it earns you far more than good service in good times (Flint, 2011). For example having rationed bottled water available in a drought situation will earn you far more mileage than discounting it when it's readily available (Puccinelli, 2009). This further builds a positive relationship between levels of past-experience with a service and the levels of desired service and predicted service (Zeithaml, 1993). When a customer has a positive experience they're able to use that as a reference point and it allows them to advocate for your service (Puccinelli, 2009).

Customer's perception that alternatives exist may raise the level of adequate service and narrows the zone of tolerance and this forms part of attitudinal loyalty and the customer's perception of switching costs (Blut, 2015). As Plott (2005) states, the best way to gauge customer satisfaction is to align our switching costs, not all customers stay because they're happy but just because they find the admin of switching too cumbersome or costly. Blut (2015) adds that not all customers that don't complain are happy, some just aren't interested in the admin of registering their complaint and find it easier to voice this with their wallets.

In understanding all the factors that inform the purchase, such as convenience, expectation as stated by Moeller (2009) & Carpenter (2006). Furthermore the desired and adequate level and the switching costs as stated by Blut (2015) & Selema (2018) associated with the customer changing providers (Jones, 2007) that being able to satisfy the needs of the customer and see a greater repurchase behaviour (Palmer, 2010). Loyal customers are usually satisfied but the converse does not necessarily apply (Reichheld, 1993)

Expectation is crucial for retailers as it helps shape perceived quality which is how the customer will measure their experience versus what they expected (Carpenter, 2006). Companies that meet the expectations of the customer will experience higher customer satisfaction and engagement which lead to greater Customer loyalty.

Accordingly, the study is interested in the factors that drive satisfaction, as well as the extent by which satisfaction determines loyalty. The following hypotheses are put forth:

HA1. Convenience impacts customer satisfaction

HA2. Customer expectation impacts customer satisfaction

HA3. Customer relationship impacts customer satisfaction

HA4. Store atmosphere impacts customer satisfaction.

HA5. Service impacts customer satisfaction.

HB1. Customer satisfaction impacts customer loyalty.

Chapter 3: Research Methodology

3.1 Research Paradigm

Research paradigm is the road plan and a detailed plan of how the researcher intends to carry out the research and answer the research question (Johnson, 2004). Research strategy is divided into two areas namely qualitative and quantitative method.

Quantitative method tests theory in a deductive manner from existing knowledge through developing hypothesized relationships and proposed outcomes (Johnson, 2004). Quantitative method is concerned with measurement, replication and overall generalization (Bryman, 2006). Qualitative method relates to explorative studies that deal with areas that have not been properly studied and deals with defining priorities, creating definitions and creating the research design (Costanza, 2017). Qualitative method is interpretivist and provides rich textual descriptions and deal with intangible factors more so when dealing with highly structured collection methods such as interviews, observations, focus groups and survey questionnaires.(Costanza, 2017; Bryman, 2006; Johnson, 2004)

Quantitative method was utilized for this study. The benefits of this approach include the use of standardized procedures of measurement and data collection (Östlund, 2011) and this method has been used by studies seeking to measure similar phenomenons. This study seeks to investigate the relationship between customer expectation, customer satisfaction and customer loyalty. A quantitative strategy will reveal the strength of association between variables (Johnson, 2004).

3.2 Research Design

Research design is the overall plan of how the researcher will endeavour to answer their research questions and seek to answer them in a practical manner (Lewis, 2015). It's the plan that the search will use to answer questions in a manner that is accurate, objective, valid and economical (Lewis, 2015). Research design also refers to the manner in which the researcher communicates their design regarding their identified respondents, collecting information and interpreting the findings (Östlund, 2011).

Regression analysis is a widely employed statistical approach which has two simple approaches namely coloration and linear regression (Bolin, 2013). Regression can be used to study the strength of a relationship between two or more variables but is not a strong indicator of a deeper relationship of these variables (Bolin, 2013). It enables the researcher to determine the dependence of an independent variable on a dependant variable (Bolin, 2013)

For the purposes of this study regression analysis was used, weighting individual factors of satisfaction, and the weight of satisfaction with regard to loyalty. Rather than how satisfaction is conjointly experienced, or in satisfaction clusters that may exist.

3.3 Population and Sample

Identifying the population is an important step in structuring a research project, as this defines the total number of individuals that will be subject to the study (Ayhan, 2005). The population is a representation of the target audience of the research and elements of the environment in which the research will be conducted (Johnson, 2004). The population of the study consists of all affluent grocery retailers in South Africa Checkers, Pick & Pay and Woolworths.

The common sampling methods are random sampling where a select group is chosen for the purpose of the study from the larger population. With random sampling each member is chosen by chance and all members have an equal opportunity of being part of the study (Ayhan, 2005). Ayhan (2005) further adds that non-random sampling involves the selection of your population according to specific criteria that's pre-determined and disclosed upfront. For the study, snowball sampling was used. The study will not

only be restricted to individuals that are employed, but those with an income and that make shopping decisions independent of financial restriction.

Sampling criteria for the study is proposed as follows:

- **Age**: respondents must be adults i.e. 18yrs and older
- **Employment status**: may be employed, retired or a student

In regression analysis, for one to detect a strong power and alpha error one would require 20-30 samples per variable (Preacher, 2006). A power rate of 80% would be a strong enough to achieve statistical significant outcome (Bolin, 2013). According to the research method, the study requires 150 samples, 280 complete samples were collected, which is more in line with average sample sizes, to further support the results.

3.4 Research Instrument

The research instrument and or research tool is a means of collecting data for the research or study, which is the practical/operational step in carrying out the research. You may either construct your own or adapt an existing tool according to Kacen (2012).

A quantitative questionnaire based research is best when ascertaining the influence of an independent variable on a dependent (Lynn, 2002).The attempt will be to understand how the expectations that the customer has, drives perceived quality which then dictates whether the customer is satisfied or not (Creswell, 1996).

The questionnaire was designed based on the literature and was be adapted from studies previously done by Selema (2018) and Nzo (2005) who conducted similar studies on the shopping and buying behaviours of shoppers guided by their customer satisfaction. A Likert measurement scale ranging from (1) strongly disagree to (5) strongly agree was used to measure the actual shopping experience of the customer (Saunders, 2015).

3.5 Procedure for data collection

Online surveys provided a low cost option of collection data from various respondents over a wider population (Bendat, 2000).

Participating members received a link inviting them to participate in the survey directing them to the Questionnaire. All questions were to be completed online either via a computer or mobile device. Respondents selected the options on the questionnaire that most apply to them for the specific question. A cross sectional survey was used as a self-administered survey online covering and studying a particular phenomenon at a particular time, which is the most common research design (Lewis, 2015). The design of the survey provides a basic for the precise estimates of degree of the relationship between expectation, satisfaction and loyalty. (Lynn 2002; Bryman, 2006). The quantitative approach will test relationship between the dependent and independent variables and investigating the items identified in the literature review (Lynn 2002; Bryman 2006).

Dommeyer (2004) writes extensively about the strengths and weaknesses of using online surveys to overcome the effort and geographic challenge. Furthermore, the same author highlights the possible skewing of the responses if they're not given in the right context outside of the actual experience.

Users were provided with plain language English statements outlining the objectives of the study as well as an invitation to participate. As the data was collected via a questionnaire, it will be an indirect data source. The scope and audience covered is a sample and therefore statistical.

3.6 Data Analysis & Interpretation

The research aimed to test the relationship between customer expectation, satisfaction and loyalty.

Regression analysis entailed collection, coding, entering, cleaning of data and developing a regression model based on independent and dependent variables. The statistics will then be checked for distribution, if there's any missing data it may have to be recollected at this point, else an initial model will be run (Bendat, 2000). Assumptions will be tested and data issues will be resolved after which the data and results will be interpreted. Regression analysis added higher degree of statistical certainty by looking at individual responses and predicting their weighting in the outcome (Costanza, 2017). Regression will show a precise level of correlation with every other question with 0.6 indicating a strong correlation.

Cronbach alpha was used to test and evaluate the reliability & validity of the items to ensure they achieve an acceptable score $\alpha \geq 7$ to ensure they're acceptable for the study (Östlund, 2011).

3.7 Limitation of the Study

There were limitations to the methodological approach taken which may affect the results which needs to be discussed how these were dealt with. Some chose to ignore these as they may detract from the study, this is unethical (Costanza, 2017). The study design or measurement may not always be the best and may have possible limitations, these need to be disclosed upfront for the reader to know. There are two types of limitations, technical and administrative.

The limitations of the study included:

- The information may be subject to bias and respondents may not be objective in their response but rather reflect the relationship they aspire to have with their retailer of choice.
- The questionnaire will be limited in its ability to collect additional information that may give further clarity or depth to a response.

3.8 Validity and Reliability

External validity is concerned with how transferable the findings are while internal validity is concerned with how dependable they are (Longmuir, 2018). Reliability is concerned with the reliability of the research measures (Bryman, 2006). It is important to understand that the outcomes of a study can be transferred to other contexts and how far they can be generalized (Longmuir, 2018).

3.8.1 External Validity

External validity deals with how the study will relate to shoppers in general, and how the factors of age and employment status may affect the study outside the context in which the study will be undertaken (Ayhan, 2005). The method of sampling needs to be impartial to not negatively affect generalization, and the degree to which the study can be generalized to other contexts (Beecham, 2009)

3.8.3 Reliability

Reliability deals with the accuracy and precision of the measurement procedure (Saunders, 2015), reliability focuses on the degree to which the measurement is free from unstable and random error (Costanza, 2017). Reliability focuses on whether the process is consistent, stable overtime and across research methods.

Reliability is assessed by investigating Cronbach's Alpha coefficient and in relation to item to total correlation with alpha scores below .70 and items with a correlation of .30 can be discarded. The benchmark score is 0.7, anything below that is considered unreliable and can therefore be discarded (Ayhan, 2005). The survey was drawn from existing surveys of similar studies and existing constructs.

4. Chapter4: Results

4.1 Introduction

The structure of this section is aimed to address data screening, descriptive statistics, reliability scales, sample adequacy, correlation and presentation of regression. The purpose of this study was to evaluate 6 hypothesis outlined earlier in the study that of the relationship between promotions, service, store atmosphere, expectation, convenience and customer satisfaction. Furthermore the relationship between customer satisfaction and customer loyalty.

4.2 Data Analysis

Data screening was first done to check if the data file had any errors which could have an effect on overall analysis. The checking of errors in data capturing will help to ensure that the correct information is used for the analysis. Accordingly, 334 people took part in the survey and 288 completed the survey which translated into a completion rate of 86%.

4.3 Sample Description

The research sample consisted of the general population from the age of 18 upwards, these were respondents who are either in paid employment, students, unemployed, self-employed or retired. These were individuals who are active grocery shoppers in their respective households. Through snowballing, these individuals were asked to complete the survey, and then nominate others to complete the survey. The referral system generated 334 responses, 288 completed the survey which indicated a completion rate of 86%. This was well above the 200 responses aimed for in the initial proposal and came in higher than the average survey completion rate of 11-12%. The researcher relied on the existing relationships that respondents already had with the individuals that referred the surveys to them.

Of the responses obtained, 35% were male and 65% female which mirrors the findings of Cockburn-Wooten (2002) and current trends show more females do the grocery shopping in households. 40% of respondents were in the 18-30 range, followed closely by 39% in the 31-40 age group and this is attributed to the snowballing effect and technology savvy participants leveraging on technology and the ease of referring to their peers. 63% of respondents were in paid employment with students making up 24% followed by self-employed at 10% which made up the majority of the respondents and was also the bulk of the economically active population. The family size demographic was more evenly spaced, 29% came from a family of more than 4 individuals, 26% from a household of 4 individuals and it descended accordingly with only 15% being from a one person household which essentially would mean they're doing the grocery shopping for themselves.

Below will be a breakdown of the graphs that will show a breakdown of the responses received and how the 286 respondents shaped the data for each of the data points asked.

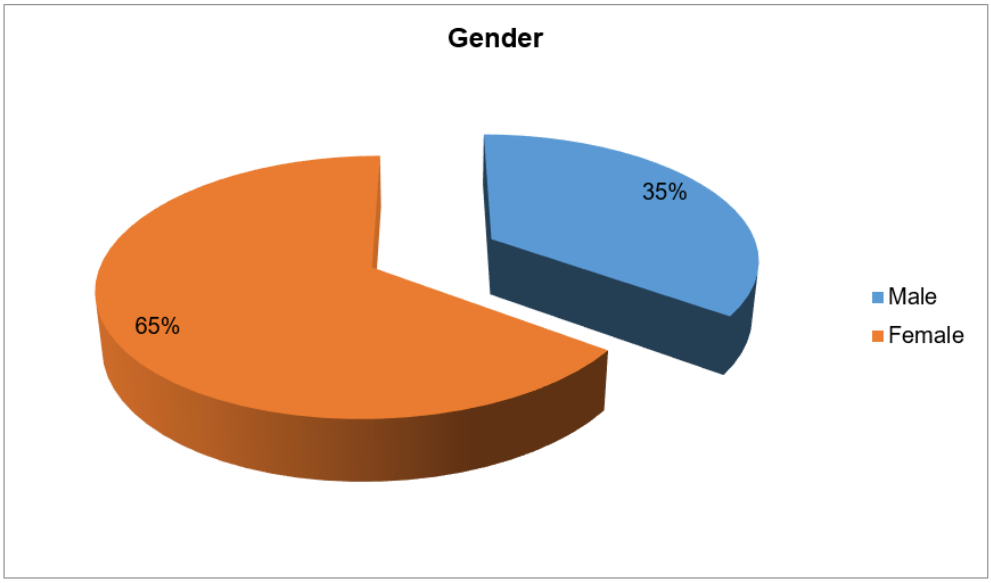

Figure 4.3.1: Gender Distribution

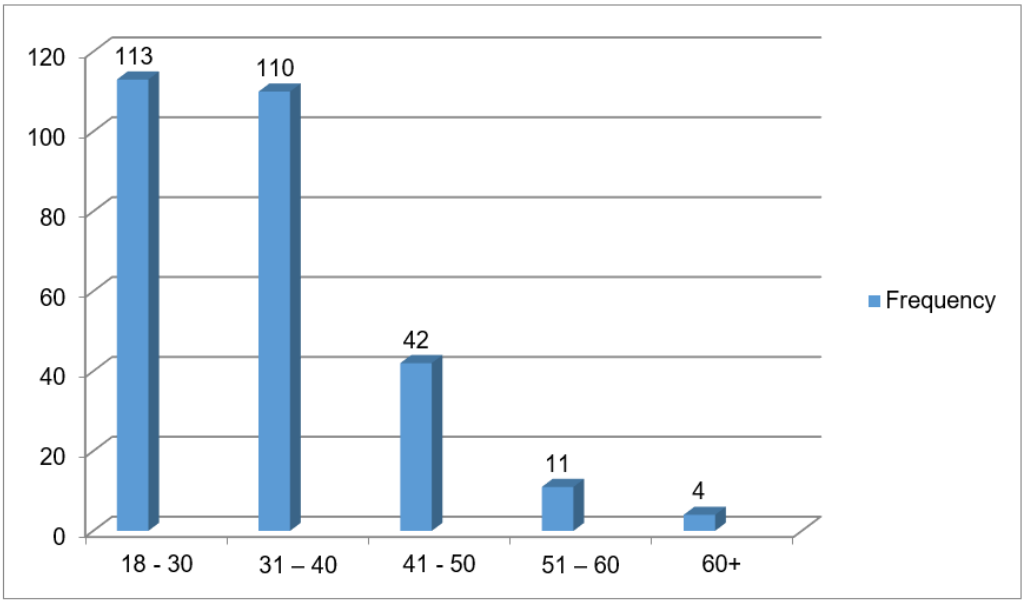

Figure 4.3.2: Age Distribution

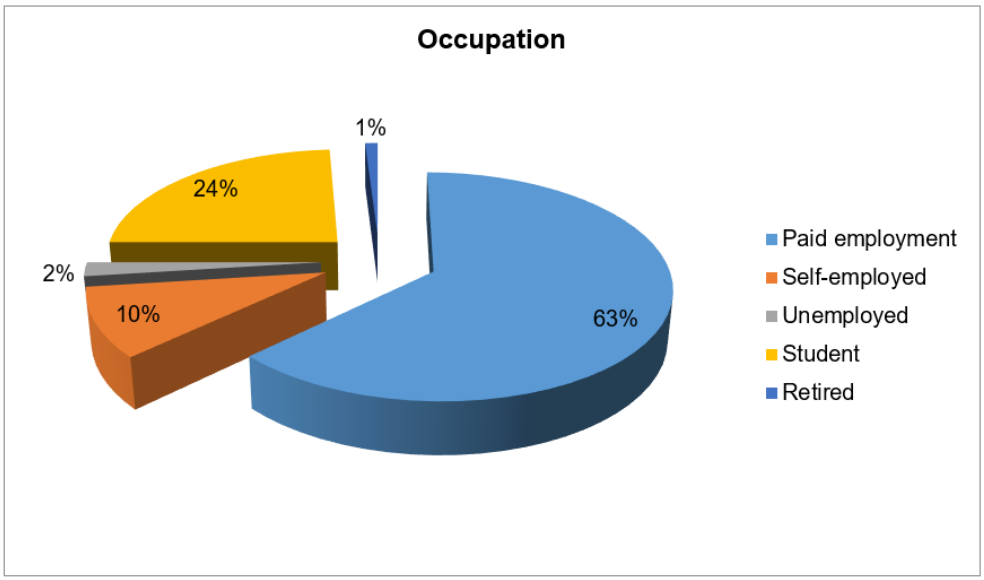

Figure 4.3.3: Occupation Distribution

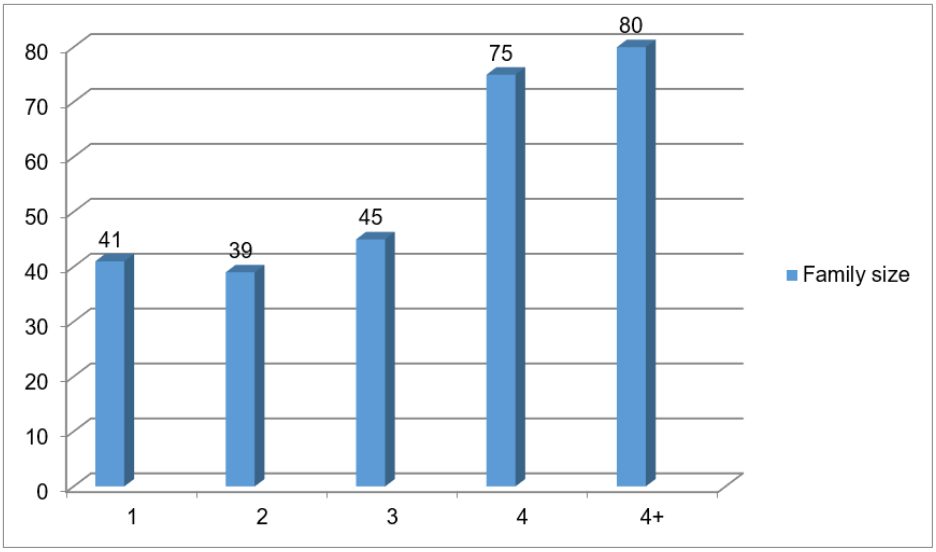

Figure 4.3.4: Family size distribution

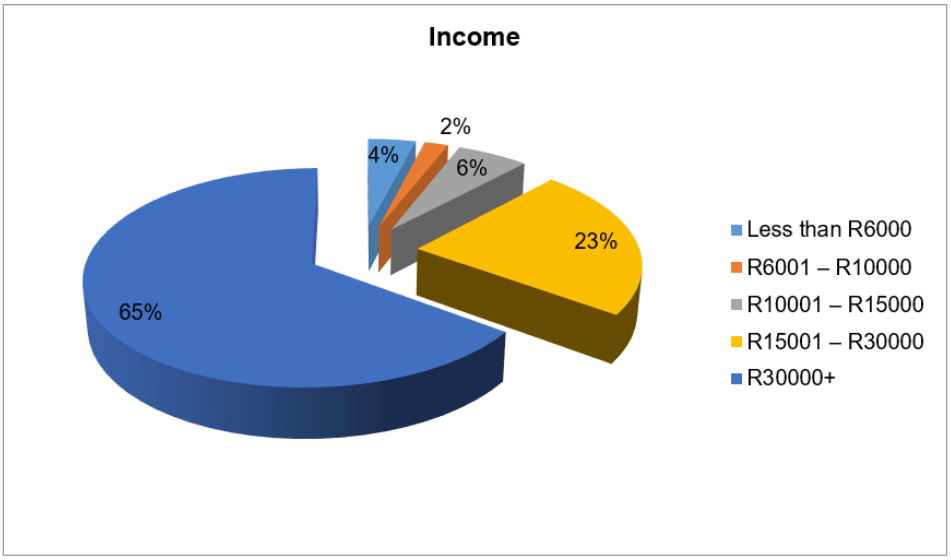

Figure 4.3.5: Combined household income distribution

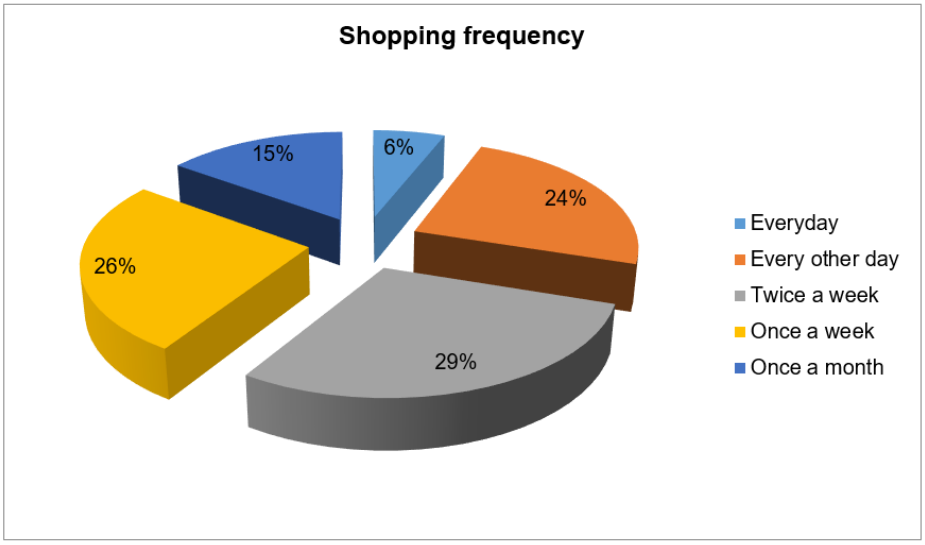

Figure 4.3.6: Distribution of shopping frequency

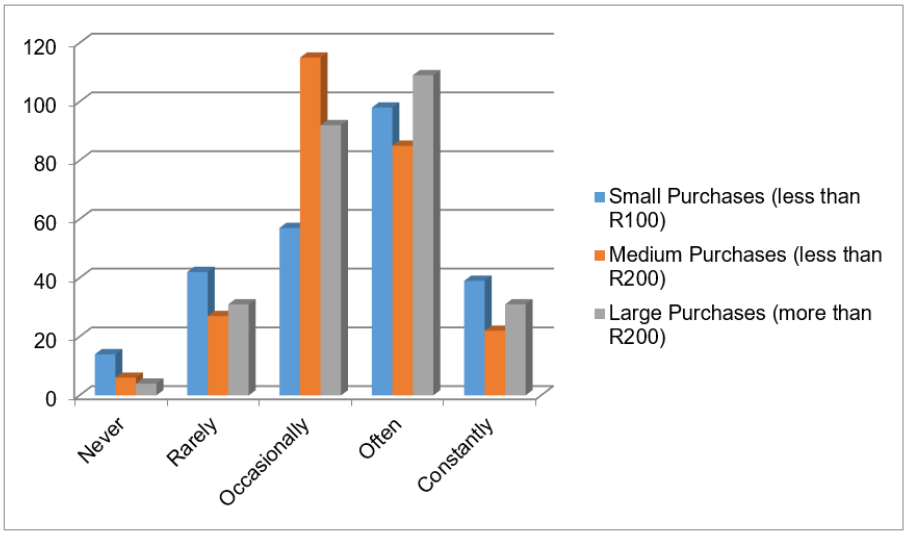

Figure 4.3.7: Distribution of grocery shopping frequency

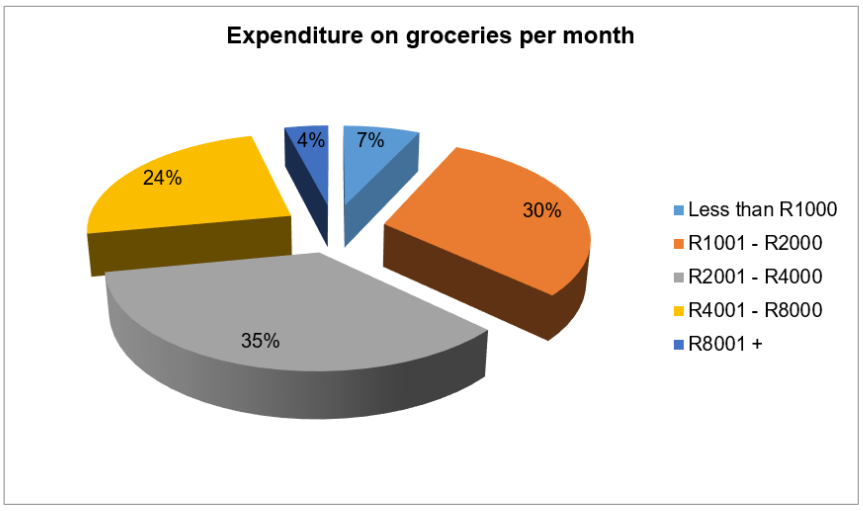

Figure 4.3.8: Expenditure on groceries per month

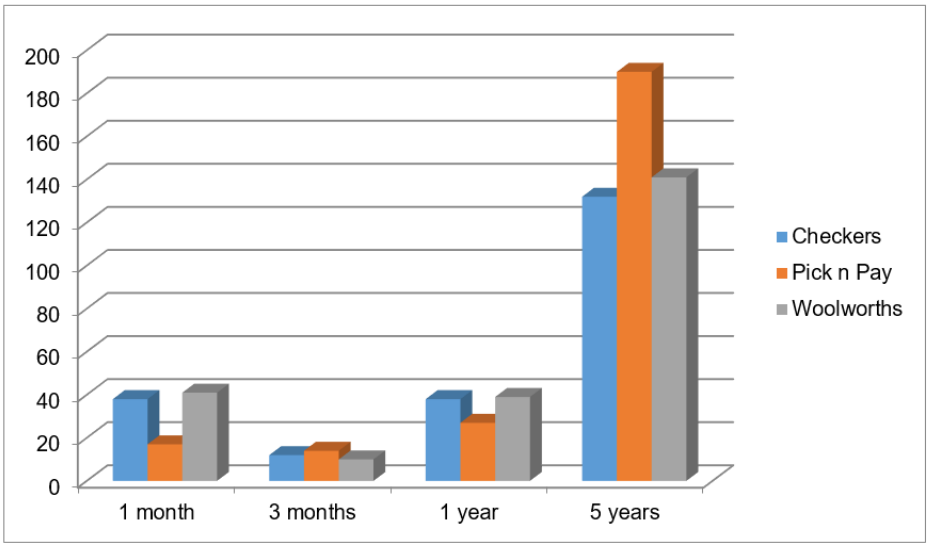

Figure 4.3.9: Distribution of retailer shopping frequency

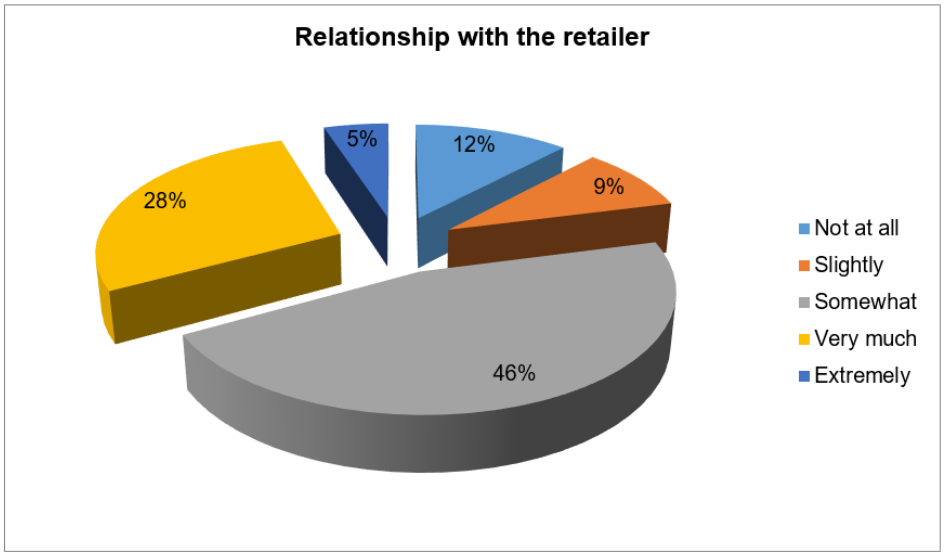

Figure 4.3.10: Distribution of valuing relationship with the retailer

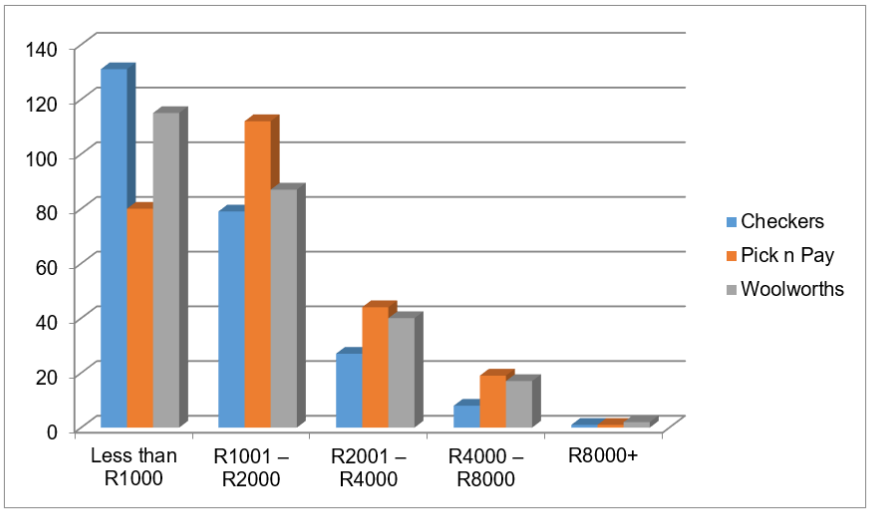

Figure 4.3.11: Distribution of monthly expenditure at retailers

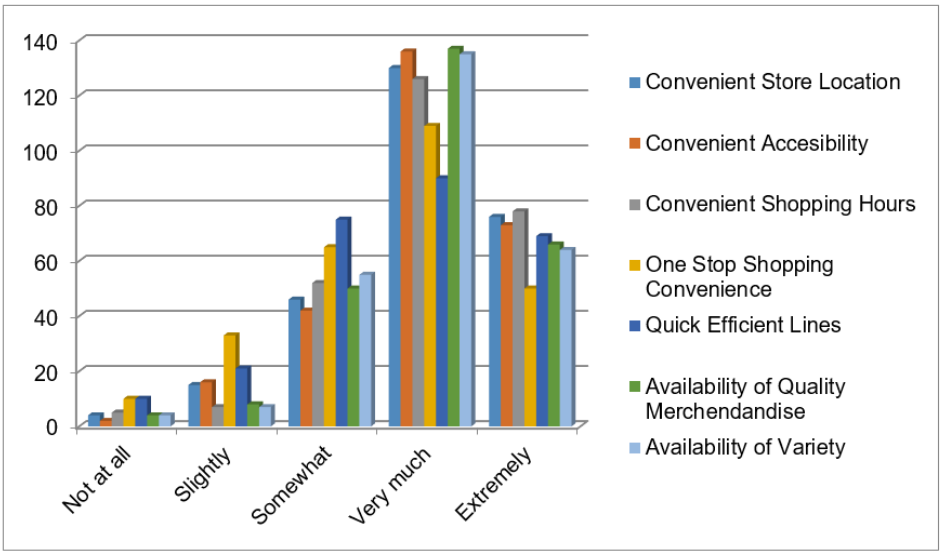

Figure 4.312: Distribution by convenience

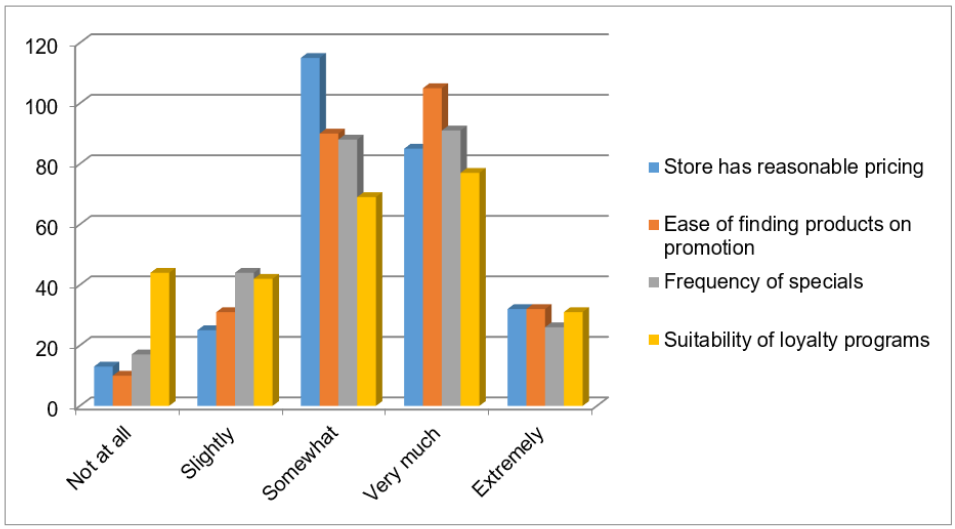

Figure 4.3.13: Distribution by promotion

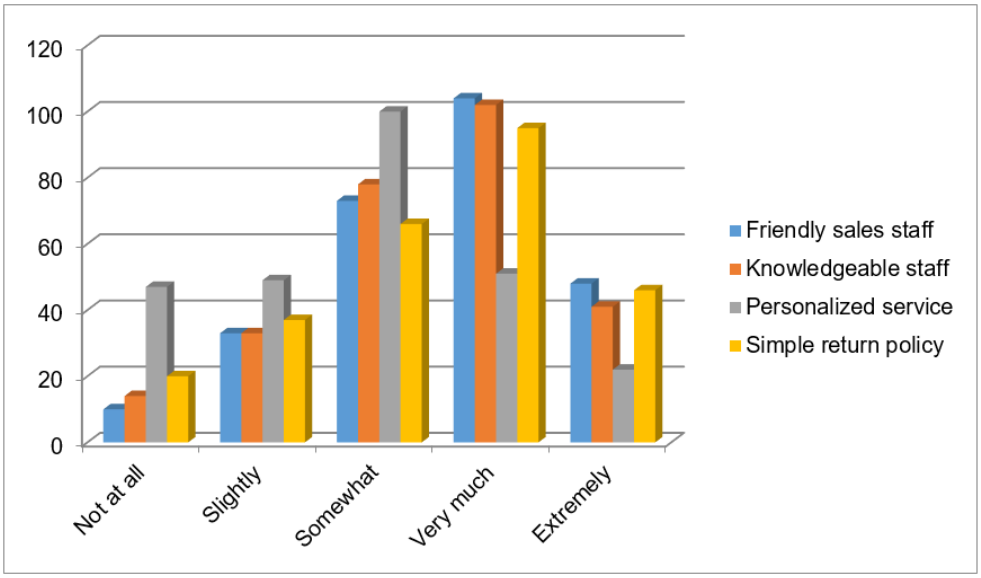

Figure 4.3.14: Distribution by service

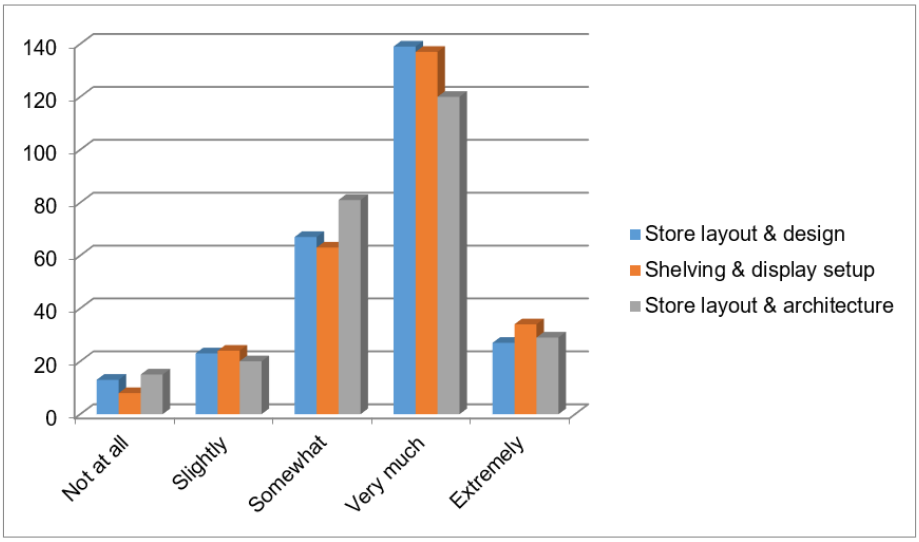

Figure 4.3.15: Distribution by physical features

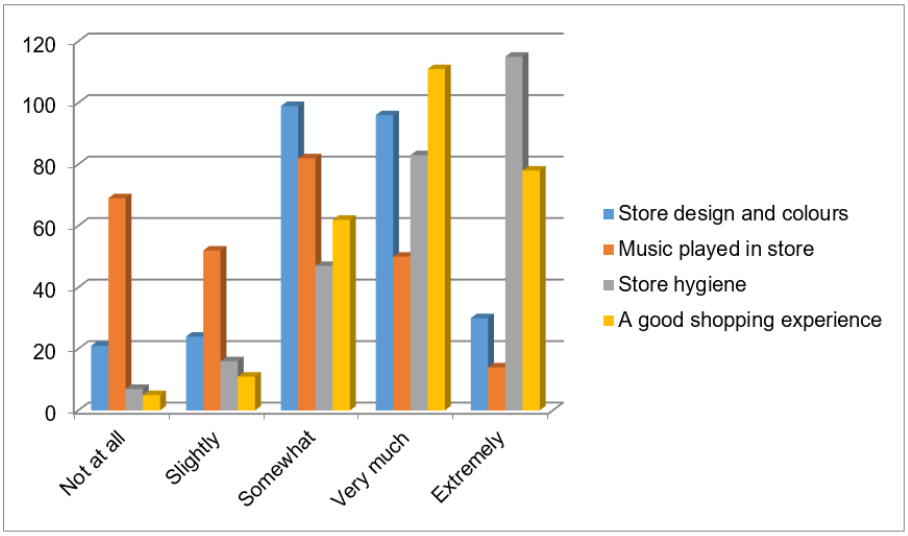

Figure 4.3.16: Distribution by store atmosphere

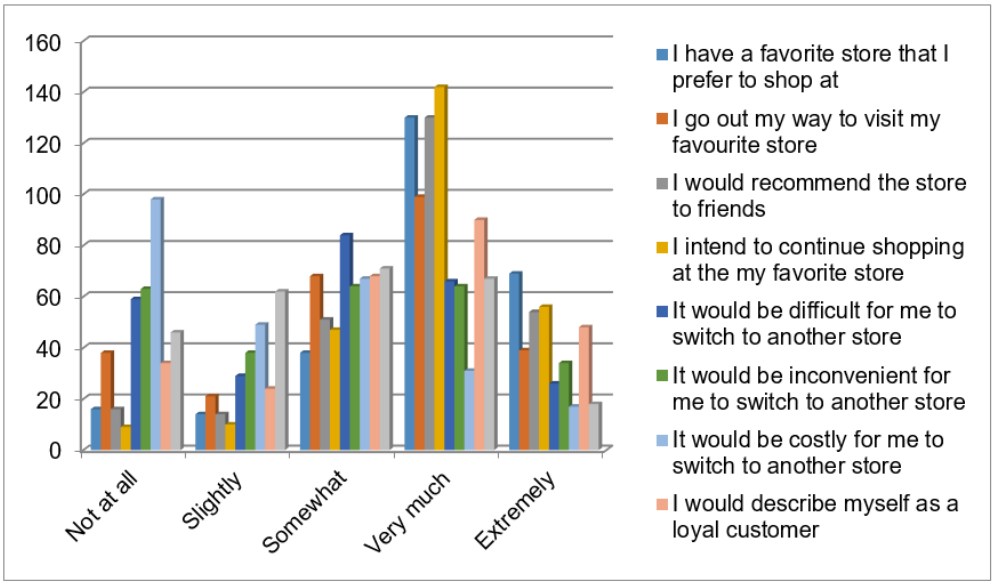

Figure 4.3.17: Distribution by loyalty intention

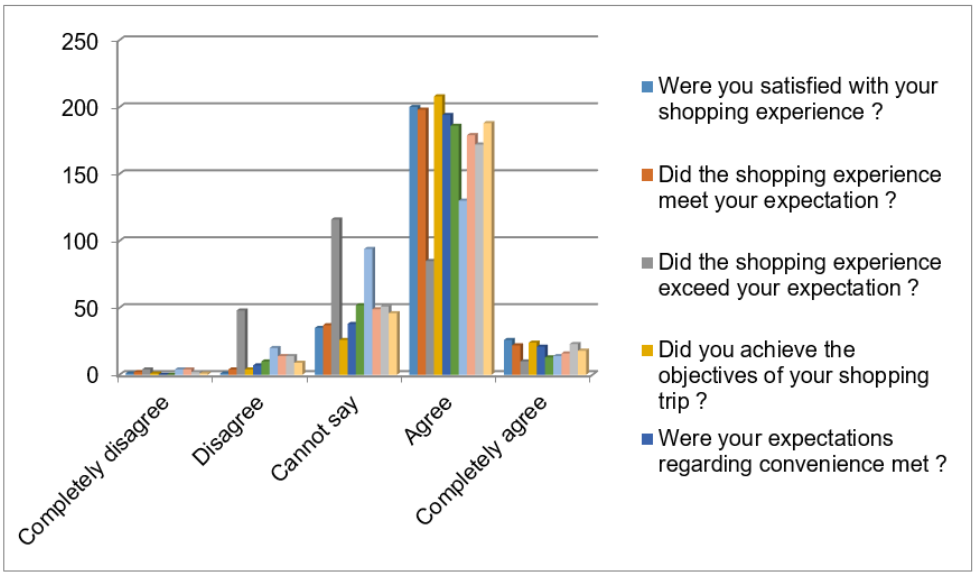

Figure 4.3.18: Distribution by satisfaction - post experience

4.4 Correlation, Reliability and Regression

4.4.1 Correlation

		Convenience	Promotion	Service	PhyFet	Atmosphere	Loyalty	Satisfaction	Expectation
Convenience	Pearson Correlation	1	.383**	.423**	.295**	.393**	.108	.216**	.260**
	Sig. (2-tailed)		.000	.000	.000	.000	.077	.000	.000
	N	283	280	280	280	280	268	264	263
Promotion	Pearson Correlation	.383**	1	.564**	.284**	.430**	.175**	.169**	.332**
	Sig. (2-tailed)	.000		.000	.000	.000	.004	.006	.000
	N	280	280	279	279	279	267	263	262
Service	Pearson Correlation	.423**	.564**	1	.491**	.572**	.222**	.220**	.381**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	280	279	280	279	279	267	263	262
PhyFet	Pearson Correlation	.295**	.284**	.491**	1	.619**	.233**	.203**	.201**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.001	.001
	N	280	279	279	280	280	268	264	263
Atmosphere	Pearson Correlation	.393**	.430**	.572**	.619**	1	.182**	.258**	.366**
	Sig. (2-tailed)	.000	.000	.000	.000		.003	.000	.000
	N	280	279	279	280	280	268	264	263
Loyalty	Pearson Correlation	.108	.175**	.222**	.233**	.182**	1	.352**	.332**
	Sig. (2-tailed)	.077	.004	.000	.000	.003		.000	.000
	N	268	267	267	268	268	268	264	263
Satisfaction	Pearson Correlation	.216**	.169**	.220**	.203**	.258**	.352**	1	.680**
	Sig. (2-tailed)	.000	.006	.000	.001	.000	.000		.000
	N	264	263	263	264	264	264	264	263
Expectation	Pearson Correlation	.260**	.332**	.381**	.201**	.366**	.332**	.680**	1
	Sig. (2-tailed)	.000	.000	.000	.001	.000	.000	.000	
	N	263	262	262	263	263	263	263	263

Figure 4.4.1a

Analysis revealed that no variables had a strong positive correlation. Most of the variables returned a significance score of .000 which indicates that there's a 0% chance that the correlation score occurred by random error alone highlighting that there is a linear relationship which in most cases was positive as shown in Figure 4.4.1a above. Only for Loyalty and convenience there were no linear relationship. Atmosphere shared a strong causal relationship with Service and Physical Features of .572 and 619 respectively. Service share a strong relationship with promotion of .564. The strongest relationship exists between Expectation and Satisfaction of .680.

Expectation shares a weak relationship with promotion .332, service .381, atmosphere .336 and loyalty .332. Loyalty shared a weak causal relationship with satisfaction of .352. Store Atmosphere shared a weak causal relationship with Convenience and promotion of .393 and .430 respectively, just as Physical features also shared a weak relationship of .491 with service. Service and promotion shared a weak causal relationship with Convenience of .423 and 383.

Expectation shared a very weak relationship with Convenience and Physical Features of .260 and .201 respectively. Furthermore Satisfaction also shared a very weak relationship with Convenience .216, Promotion .169, Service .220, Physical Features .203 and Store Atmosphere .258. Loyalty shared a very weak correlation score with Promotion .175, Service .222, Physical Features.233 and Store Atmosphere .182. Physical features showed a very weak causal relationship with Convenience .295 and Promotion .284 in Figure 4,4,1a

Loyalty shared no significant linear relationship with convenience and a very weak correlation score of .108. Figure 4.4.1a shows that even though there are varying degrees of relationships between the variables, the causal relationships still exists. This shows that there are unique predictive capacities for each of the variables.

4.4.1.2 Spearman's rho Correlation

Spearman's rho non parametric test as shown in Figure 4.4.1.2a was used as the relationship variable is ordinal, this was used to test the correlation between the customer satisfaction & the value that a customer places on their relationship with their retailer. The strength of association returned a positive outcome with the test revealing a linear relationship between satisfaction and customers valuing their relationship with their retailer with a significance score of .000. The correlation co-efficient returned a score of .429 which shows that even though there is a relationship between the two variables it is a weak one.

Correlations

			I value my relationship with the retailer:	Satisfaction
Spearman's rho	I value my relationship with the retailer:	Correlation Coefficient	1.000	.429**
		Sig. (2-tailed)	.	.000
		N	316	264
	Satisfaction	Correlation Coefficient	.429**	1.000
		Sig. (2-tailed)	.000	.
		N	264	264

Figure 4.4.1.2a

4.4.2. Data and method

Multiple regression analysis was carried out using PROCESS and a statistical software tool called SPSS to determine the relationship between independent and depended variable. Before input the data for regression, the data was tested for reliability and correlation to ensure that the data was reliable. Out of the 318 responses received, 51 were removed to ensure that a complete data set was used, a final figure of 267 responses which equates to 84% were used in testing reliability as shown in Figure 4.4.2a below.

Case Processing Summary

		N	%
Cases	Valid	267	84.0
	Excluded[a]	51	16.0
	Total	318	100.0

a. Listwise deletion based on all variables in the procedure.

Figure 4.4.2a

Multiple regression was used to predict the value of customer satisfaction based on customer Atmosphere, expectation, convenience, promotion and service. There is strong correlation co-efficient score of .685 between independent variable and the dependent variables shown in Figure 4.4.2.1b below.

The variable variation is 46.9% explained by the linear model. The variability in the data is nearly 50% explained by the model which makes it harder to predict.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.685[a]	.469	.459	.33587

a. Predictors: (Constant), Atmosphere, Expectation, Convenience, Promotion, Service

Figure 4.4.2b

The only variable that showed a significant relation to satisfaction is expectation, with a score of .000 which means there's a .000 chance of the correlation score being randomly predicted.

Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.303	.181		7.214	.000
	Convenience	.033	.035	.050	.947	.345
	Service	-.022	.032	-.045	-.702	.483
	Promotion	-.038	.031	-.070	-1.204	.230
	Expectation	.644	.047	.688	13.581	.000
	Atmosphere	.030	.035	.050	.835	.404

Figure 4.4.2c

4.4.2.1 Convenience and Customer Satisfaction

The convenience variable displayed an internal reliability of .862 which is a good score indicating that Convenience is a reliable variable. The variable consisted 7 items or responses in the questionnaire that rolled up into the variable. In Figure 4.4.2.1b a further breakdown of how each of the items contributed to the overall internal reliability. Store location and Accessibility (highlighted in red) would reduce the score by more than .30 if they were deleted which shows that they were greater contributors to the internal reliability score than the remaining 5 items that would reduce the score by less than .20. This would then indicates that Store location and Accessibility were very important indicators of convenience for the respondents followed by shopping hours and Quality of merchandise. The overall gradual change in Cronbach alpha shows that the questionnaire for convenience as being reliable.

Reliability Statistics

Cronbach's Alpha	N of Items
.862	7

Figure 4.4.2.1a

Item-Total Statistics

	Cronbach's Alpha if Item Deleted
Convenience-Convenient Store Location	.829
Convenience-Convenient Accessibility	.829
Convenience-Convenient Shopping Hours	.844
Convenience-One Stop Shopping Convenience	.853
Convenience-Quick Efficient Lines	.847
Convenience-Availability of Quality Merchandise	.844
Convenience-Availability of Variety	.854

Figure 4.4.2.1b

In Figure 4.4.2.1c the significance score is .000 which indicates that there a linear relationship between Satisfaction and Convenience. The statistics show that a change in convenience would have an effect on the satisfaction score. Even though the correlation score is weak, there is still a relationship between the two variables.

Correlations

		Satisfaction
Convienience	Pearson Correlation	.216**
	Sig. (2-tailed)	.000
	N	264

Figure 4.4.2.1c

A further breakdown of correlation as shown below shows that there is no linear relation or weak relationship between Convenience and satisfaction for female respondents. The correlation score of .168 is also shown to be very weak and we can therefore conclude that there is a weak correlation for female shoppers of convenience and their satisfaction as shown in Figure 4.4.2.1d

For male respondents there was more of a linear relationship between convenience and satisfaction but it was not significant. Even though it was better than it was for female shoppers it was still not significant. The correlation score is stronger than the female score but still not very significant as shown in Figure 4.4.2.1e. The male score of.269 is higher than the overall score of .216 but was weighted down by the weaker female score.

A conclusion can be made that there is a lower correlation between Convenience and Satisfaction and male respondents placed a greater importance on convenience than female respondents.

Female	Convenience	Pearson Correlation	.168*
		Sig. (2-tailed)	.029
		N	169

Figure 4.4.2.1d

Male	Convenience	Pearson Correlation	.269**
		Sig. (2-tailed)	.009
		N	94

Figure 4.4.2.1e

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation
Convenience-Convenient Store Location	23.06	16.586	.733	.722
Convenience-Convenient Accesibility	23.06	16.813	.744	.729
Convenience-Convenient Shopping Hours	23.07	17.288	.622	.431
Convenience-One Stop Shopping Convenience	23.45	16.752	.573	.356
Convenience-Quick Efficient Lines	23.34	16.242	.616	.407
Convenience-Availability of Quality Merchendandise	23.10	17.490	.627	.501
Convenience-Availability of Variety	23.11	18.142	.546	.428

Regression

There is no significant linear relationship between Convenience and Satisfaction with a Significance score of .345 as shown in Figure 4.4.2c below and a change in a single unit of convenience would result in a .033 change in satisfaction.

4.4.2.2 Expectation and Customer Satisfaction

The expectation variable displayed an internal reliability of .816 which is a strong score indicating that expectation is a reliable variable. The variable consisted 6 items or responses in the questionnaire that rolled up into the variable. In Figure 4.4.2.2b a further breakdown of how each of the items contributed to the overall internal reliability. Expectation regarding merchandising, physical features and service would reduce the score by more than .30 if they were deleted which shows that they were greater contributors to the internal reliability score than the remaining 3 items. The score indicate that expectations of merchandising, physical features and service are very important indicators of expectation for the respondents followed by expectations for convenience and atmosphere.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.816	.820	6

Figure 4.4.2.2a

Item-Total Statistics

	Cronbach's Alpha if Item Deleted
Satisfaction - Post Experience-Were your expectations regarding convenience met?	.790
Satisfaction - Post Experience-Were your expectations regarding merchandising met?	.782
Satisfaction - Post Experience-Were your expectations regarding promotion met?	.800
Satisfaction - Post Experience-Were your expectations regarding service met?	.774
Satisfaction - Post Experience-Did the store physical features meet your expectation?	.778
Satisfaction - Post Experience-Did the store atmosphere meet your expectation?	.794

Figure 4.4.2.2b

In Figure 4.4.2.2c the significance score is .000 which indicates that there a linear relationship between the independent and dependent variable, in fact this the strongest relationship of all the dependent variables. The relationship shows that a change in expectation would have an effect on the satisfaction score. The correlation is good, indicating there is a relationship between the two variables.

		Satisfaction
Expectation	Pearson Correlation	.680**
	Sig. (2-tailed)	.000
	N	263

Figure 4.4.2.2c

A further breakdown of correlation as shown below shows that there is a linear relationship between expectation and satisfaction for female respondents. The correlation score of .699 is also shown to be good and stronger than the combined score therefore concluding that there is correlation for female shoppers of expectation and their satisfaction as shown in Figure 4.4.2.2d

For male respondents there is also a significant linear relationship between expectation and satisfaction with a good correlation. The correlation score is weaker than the female score but still not very significant as shown in Figure 4.4.2.2e. The male score of .647 is higher lower than the overall score of .680 and weighted down the female score.

To conclude, strong correlation exists between Expectation and Satisfaction and female respondents placed a greater importance on convenience than female respondents.

Expectation	Pearson Correlation	.699**
	Sig. (2-tailed)	.000
	N	169

Figure 4.4.2.2d

Expectation	Pearson Correlation	.647**
	Sig. (2-tailed)	.000
	N	93

Figure 4.4.2.2e

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation
Satisfaction - Post Experience-Were your expectations regarding convenience met?	18.53	6.412	.570	.412
Satisfaction - Post Experience-Were your expectations regarding merchandising met?	18.64	6.232	.609	.448
Satisfaction - Post Experience-Were your expectations regarding promotion met?	18.92	5.797	.533	.362
Satisfaction - Post Experience-Were your expectations regarding service met?	18.69	5.681	.632	.436
Satisfaction - Post Experience-Did the store physical features meet your expectation?	18.65	5.766	.615	.477
Satisfaction - Post Experience-Did the store atmosphere meet your expectation?	18.60	6.319	.543	.419

Regression

There is a significant linear relationship between Expectation and Satisfaction with a significance score of .000 as shown in change in a single unit of expectation would result in a .644 change in satisfaction. This renders Expectation the single biggest contributor to this multiple regression model as it has a significant relationship with and would result in the highest unit change in Satisfaction.

4.4.2.3 Promotion and Customer Satisfaction

The promotion variable displayed an internal reliability of .777 which is an acceptable score indicating that promotion is a reliable variable. The variable consisted 4 items or responses in the questionnaire that rolled up into the variable. In Figure 4.4.2.3b a further breakdown of how each of the items contributed to the overall internal reliability. Ease of finding items on promotion and the frequency of specials (highlighted in red) would reduce the score by .91 for the former and .114 for the latter which are very significances in reliability if they were deleted which shows that they were very sizeable contributors to the internal reliability score than the remaining 2 items that would reduce the score by less than .18 combined. This score indicates that frequency of specials and the ease of finding items that are on promotion are very important indicators of promotion for the respondents followed by suitability of loyalty programs and reasonable pricing. The overall gradual change in Cronbach alpha shows that the questionnaire for promotion as being reliable.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.777	.783	4

Figure 4.4.2.3a

Item-Total Statistics

	Cronbach's Alpha if Item Deleted
Promotion-Store has reasonable pricing	.776
Promotion-Ease of finding products on promotion	.686
Promotion-Frequency of specials	.663
Promotion-Suitability of loyalty programs	.760

Figure 4.4.2.3b

In Figure 4.5d the significance score is .006 which indicates that there is no linear relationship between the independent and dependent variable. The score shows that a change in promotion would have no effect on the satisfaction score. The correlation is very weak indicating there is no relationship between the two variables.

		Satisfaction
Promotion	Pearson Correlation	.169**
	Sig. (2-tailed)	.006
	N	263

Figure 4.4.2.3c

A further breakdown of correlation as shown below shows that there is no linear relationship between promotion and satisfaction for female respondents. The correlation score of .127 further shows the lack

of a relationship between the variables and is lower than the combined score therefore concluding that there no correlation for female shoppers of promotion and their satisfaction as shown in Figure 4.4.2.3d

For male respondents there is also no significant linear relationship between promotion and satisfaction with a weak correlation. The correlation score is stronger than the female score but still not significant at all as shown in Figure 4.4.2.3e.

To summarize, there is no correlation between Promotion and Satisfaction and female respondents placed less importance on promotion than male respondents**.**

Promotion	Pearson Correlation	.127
	Sig. (2-tailed)	.100
	N	169

Figure 4.4.2.3d

Promotion	Pearson Correlation	.218*
	Sig. (2-tailed)	.036
	N	93

Figure 4.4.2.3e

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation
Promotion-Store has reasonable pricing	9.70	7.609	.468	.233
Promotion-Ease of finding products on promotion	9.61	6.737	.661	.488
Promotion-Frequency of specials	9.80	6.270	.694	.522
Promotion-Suitability of loyalty programs	10.04	6.121	.535	.307

Regression

There is no significant linear relationship between Promotion and Satisfaction with a significance score of .230 well above the acceptable upper limit of .005. A change in a unit of promotion would result in a negative change in satisfaction of -3.8% shown in change in a single unit of promotion would result in a -.038 change in satisfaction which cannot be statistically explained. This renders Promotion a non-contributor to this multiple regression model as it has no significant relationship with satisfaction and would result in a negative unit change in Satisfaction.

4.4.2.4 Store Atmosphere and Customer Satisfaction

The store atmosphere variable displayed an internal reliability of .715 which is an acceptable score indicating that store atmosphere is a reliable variable. The variable consisted 4 items or responses in the questionnaire that rolled up into the variable. In Figure 4.4.2.4b a further breakdown of how each of the items contributed to the overall internal reliability. A good shopping experience was a very significant contributor to the reliability score as without it the score would decrease by .122. Store design and store hygiene were also very significant contributors to the variable as without these the score would decrease by .75 and .76. Music played would contribute to a positive increase in the score by .24. The score indicates that a good shopping experience is an extremely important factor in store atmosphere. Respondents also place a lot of importance on the store design element also the hygiene of the store.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.715	.727	4

Figure 4.4.2.4a

Item-Total Statistics

	Cronbach's Alpha if Item Deleted
Store Atmosphere-Store design and colors	.639
Store Atmosphere-Music played in store	.739
Store Atmosphere-Store hygiene	.640
Store Atmosphere-A good shopping experience	.593

Figure 4.4.2.4b

In Figure 4.4.2.4c the significance score is .000 which is within the .001 tolerance indicates that there is a linear relationship between the independent and dependent variable. The result shows that a change in store atmosphere would have an effect on the satisfaction score. The correlation is weak indicating there is a relationship between the two variables but not a strong one.

		Satisfaction
Atmosphere	Pearson Correlation	.258**
	Sig. (2-tailed)	.000
	N	264

Figure 4.4.2.4c

A further breakdown of correlation as shown below shows that there is no linear relationship between store atmosphere and satisfaction for female respondents. The correlation score of .199 further shows the lack of a relationship between the variables and is lower than the combined score therefore concluding that there no correlation for female shoppers of store atmosphere and their satisfaction as shown in Figure 4.4.2.4d

For male respondents there is a significant linear relationship between store atmosphere and satisfaction with a weak correlation score. The correlation score is stronger than the female score but still not strong as shown in Figure 4.4.2.4e.

The conclusion can then be inferred that there is a correlation between Store atmosphere and Satisfaction and female respondents placed less importance on store atmosphere than male respondents.

Atmosphere	Pearson Correlation	.199**
	Sig. (2-tailed)	.009
	N	169

Figure 4.4.2.4d

Atmosphere	Pearson Correlation	.339**
	Sig. (2-tailed)	.001
	N	94

Figure 4.4.2.4e

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation
Store Atmosphere-Store design and colors	10.50	6.003	.525	.307
Store Atmosphere-Music played in store	11.24	5.986	.381	.250
Store Atmosphere-Store hygiene	9.78	5.960	.522	.594
Store Atmosphere-A good shopping experience	9.93	5.999	.617	.611

Regression Analysis

There is no significant linear relationship between Store atmosphere and Satisfaction with a significance score of .404 well above the acceptable upper limit of .005. A change in a unit of store atmosphere would result in a change in satisfaction of 3% shown in change in a single unit of store atmosphere would result in a .030 change in satisfaction. Store atmosphere is a non-contributor to this multiple regression model as it has no significant relationship with satisfaction.

Coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.303	.181		7.214	.000
	Convenience	.033	.035	.050	.947	.345
	Service	-.022	.032	-.045	-.702	.483
	Promotion	-.038	.031	-.070	-1.204	.230
	Expectation	.644	.047	.688	13.581	.000
	Atmosphere	.030	.035	.050	.835	.404

4.4.2.5 Service and Customer Satisfaction

The service variable displayed an internal reliability of .856 which is a good score indicating that service is a reliable variable. The variable consisted 4 items or responses in the questionnaire that rolled up into the variable. In Figure 4.4.2.5b a further breakdown of how each of the items contributed to the overall internal reliability. Knowledgeable staff is an important item as without it the score would decrease by .77 followed friendly staff that result in a reduction of .46 if removed. Personalized service & a simple return policy would have a small effect on the score if removed. The significant change in the score could also be attributed to the fact that the variable had fewer items which results in greater changes for the slightest movements. The indication is that a good shopping experience is an important factor in service. Respondents also place a lot of importance on personalized service and a simple return policy. The movement in change of Cronbach alpha shows that the questionnaire for service as being reliable.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.856	.859	4

Figure 4.4.2.5a

Item-Total Statistics

	Cronbach's Alpha if Item Deleted
Service-Friendly sales staff	.810
Service-Knowledgeable staff	.779
Service-Personalized service	.828
Service-Simple return policy	.849

Figure 4.4.2.5b

In Figure 4.4.2.5cthe significance score is .000 which indicates that there is a linear relationship between the independent and dependent variable. The indication is that there is a correlation in service having

an effect on the satisfaction score even though the score is weak at .220. The correlation is weak indicating there is a relationship between the two variables but a weak one.

		Satisfaction
Service	Pearson Correlation	.220**
	Sig. (2-tailed)	.000
	N	263

Figure 4.4.2.5c

A further breakdown of correlation as shown below shows that there is a linear relationship between service and satisfaction for female respondents. The correlation score of .245 which even though weak further shows the lack of a relationship between the variables and is lower than the combined score therefore concluding that there is a correlation for female shoppers of service and their satisfaction as shown in Figure 4.4.2.5d

For male respondents there is no significant linear relationship between service and satisfaction with a weak correlation score of .165. The correlation score is weaker than the female score shown in Figure 4.4.2.5e. The male score of .165 is lower than the overall score of .220 and weighed down by the female score.

All things considered, there is a correlation weak between Service and Satisfaction and female respondents placed more importance on service than male respondents.

Service	Pearson Correlation	.245**
	Sig. (2-tailed)	.001
	N	168

Figure 4.4.2.5d

Service	Pearson Correlation	.165
	Sig. (2-tailed)	.113
	N	94

Figure 4.4.2.5e

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation
Service-Friendly sales staff	9.62	8.363	.717	.564
Service-Knowledgeable staff	9.70	7.961	.794	.651
Service-Personalized service	10.33	7.963	.674	.472
Service-Simple return policy	9.73	8.255	.626	.397

Regression Analysis

There is no significant linear relationship between Service and Satisfaction with a significance score of .483 well above the acceptable upper limit of .005. A change in a unit of service would result in a negative change in satisfaction of -2.2% shown in change in a single unit of service would result in a -.022 change in satisfaction which cannot be statistically explained.

4.4.2.6 Customer Satisfaction & Customer Loyalty

The loyalty variable displayed an internal reliability of .801 which is a good score indicating that loyalty is a reliable variable. The variable consisted 9 items or responses in the questionnaire that rolled up into the variable. In Figure 4.4.2.6b a further breakdown of how each of the items contributed to the overall internal reliability. Perceiving themselves as a loyal customer and the difficulty of switching to another store were the most significant contributor which would result in a .44 & .47 reduction is the score respectively. Followed by going out of their way to shop at their favorite store, having a favorite store they prefer to shop at, and having the intention to continue shopping at their favorite store. The intention to recommend the store to friends did not result in a significant reduction in score but loyalty intention of straddling between stores resulted in a significant increase on score of .59. The movement in change of Cronbach alpha shows that the questionnaire for loyalty as being reliable.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.801	.808	9

Figure 4.4.2.6a

Item-Total Statistics

	Cronbach's Alpha if Item Deleted
Loyalty Intention-I have a favorite store that I prefer to shop at	.770
Loyalty Intention-I go out my way to visit my favorite store	.762
Loyalty Intention-I would recommend the store to friends	.772
Loyalty Intention-I intend to continue shopping at the my favorite store	.767
Loyalty Intention-It would be difficult for me to switch to another store	.753
Loyalty Intention-It would be inconvenient for me to switch to another store	.769
Loyalty Intention-It would be costly for me to switch to another store	.799
Loyalty Intention-I would describe myself as a loyal customer	.757
Loyalty Intention-I often straddle between stores	.860

Figure 4.4.2.6b

Regression Analysis

There is a significant linear relationship between the dependent and independent variable, even though a unit change in satisfaction would only result in a 2.2% change in loyalty.

There is a correlation co-efficient score of .352 between customer satisfaction and customer loyalty e as shown in Figure 4.4.2.6c below. The variable variation is 12.4% explained by the linear model. The variability in the data is low which makes it easier for the model to predict.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.352[a]	.124	.121	.43259

a. Predictors: (Constant), Loyalty

Figure 4.4.2.6c

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3.028	.120		25.254	.000
	Loyalty	.221	.036	.352	6.093	.000

a. Dependent Variable: Satisfaction

Figure 4.4.2.6d

4.4.2.7 Customer satisfaction multiple regression adding in age

Further regression analysis was done to see what effect if any age would have on customer satisfaction. The introduction of the age variable increased the correlation co-efficient score by .005 from .685. The variation linear score explained increased to 47.8% which still renders it hard to predict as the variability is less than 5-% explained by the model.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.691[a]	.478	.465	.33599

a. Predictors: (Constant), Atmosphere, New Age, Expectation, Convienience, Promotion, Service

Figure 4.4.2.7a

As a variable age showed no significant linear relationship as the significance score was outside of the .005 tolerance score. The unit change score for age was higher than all the variables except for expectation. A single unit change in satisfaction would result in a .077 change in satisfaction. The indication is that age correlates with customer satisfaction.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.249	.183		6.824	.000
	New Age	.077	.043	.083	1.792	.074
	Convienience	.039	.035	.059	1.110	.268
	Service	-.021	.032	-.042	-.650	.516
	Promotion	-.035	.032	-.065	-1.119	.264
	Expectation	.640	.048	.681	13.396	.000
	Atmosphere	.026	.036	.043	.725	.469

Figure 4.4.2.7b

4.4.2.8 Customer loyalty multiple regression

Multiple regression was used to predict the value of customer loyalty based on store atmosphere, expectation, convenience, promotion and service. There is correlation co-efficient score of .389 shown in the figure below which is .296 lower than the similar regression test on customer satisfaction which yielded a score of .685 between independent variable and the dependent variables. The variable variation is 15.1% explained by the linear model. The variability in the data is far lower than the nearly 50% achieved in the Satisfaction model. It is nearly impossible to predict variation using at model.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	Change Statistics F Change
1	.389[a]	.151	.131	.68308	.151	7.527

a. Predictors: (Constant), Expectation, PhyFet, Convenience, Promotion, Service, Atmosphere

b. Dependent Variable: Loyalty

Figure 4.4.2.8a

The only variable that showed a significant relation to loyalty is expectation, the scatter diagram in Figure 4.4.2.8c further goes to show that there is no linear relationship between these variables and satisfaction. The high values in the table below of Coefficients STD Error show the more spread-out points will be from the regression line and the less likely that significance will be found. Expectation has a significance score of .000 which means there's a .000 chance of the correlation score being randomly predicted. The variable also has a higher slope value there meaning for every one unit change in expectation loyalty would change by 42.5% we can conclude that expectation is the only value that can predict loyalty.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.027	.377		2.723	.007
	Convenience	-.020	.071	-.019	-.284	.776
	Promotion	.056	.064	.065	.878	.381
	Service	.028	.066	.035	.418	.676
	PhyFet	.170	.064	.203	2.652	.008
	Atmosphere	-.058	.082	-.061	-.712	.477
	Expectation	.425	.097	.283	4.393	.000

Figure 4.4.2.8b

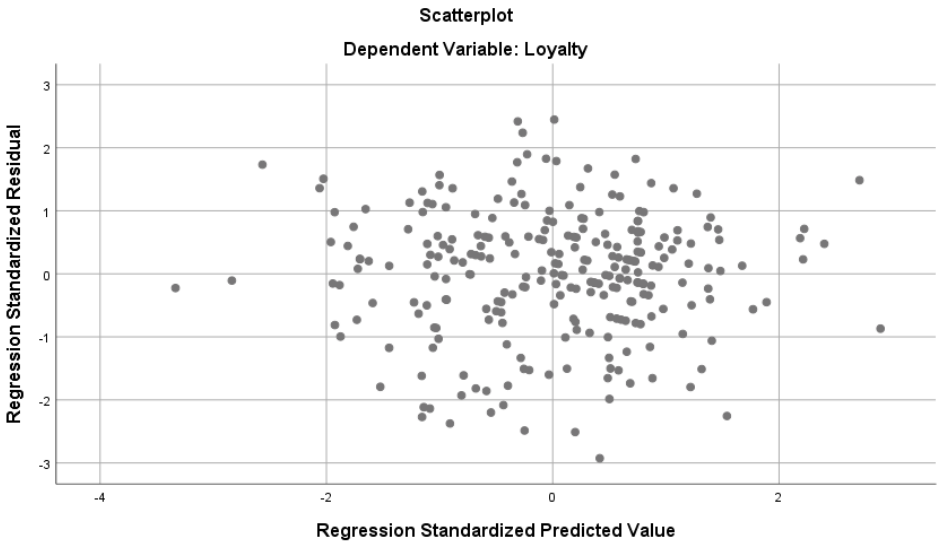

Figure 4.4.2.8c

Chapter 5: Results Analysis

5.1 Introduction

The purpose of this chapter is to discuss the implications of the quantitative results and relate them to the purpose of the study and interpret them. This is done to contribute to our understanding of the grocery retail area in South African context. The study aimed at examining the relationship between customer expectation and satisfaction and how these contribute to customer loyalty.

5.2 Discussion of Hypothesis

5.2.1 Hypothesis 1: Does convenience impact customer satisfaction?

This hypothesis was developed to test the impact that convenience has on customer satisfaction. In Literature Masojada (2018) suggests that customers are driven by the need for convenience, they wanted products that make life easier, are convenient to use and are tailored for specific needs. Moeller (2009) highlighted the constructs assessing, searching and decision that culminate in time and effort avoidance which are key measures of convenience.

Using multiple regression to determine the moderating effect of dependent variables on satisfaction an R square score of .469 was returned. A significance score of .345 was returned which shows that there is no significant linear relationship between customer expectation and customer satisfaction. The Unstandardized B score returned a score of .033 which indicates that for every unit of change in convenience there would only be a 3.3% change in the slope of satisfaction.

Convenience is primarily about increase accessibility, utilization saving resources and decreasing frustration and it's context dependent. For one customer the easy availability of credit may be considered convenience whereas next customer extended shopping hours are more convenient. Carpenter (2006) states that convenience is of the highest attributes into customer choice and loyalty, this hypothesis does not support that literature. Only store location & accessibility were deemed significant by the respondents which are the less experiential aspects of convenience showing a more primary application of the concept.

5.2.1 Hypothesis 2: Does expectation impact customer satisfaction?

This hypothesis was developed to test the impact that expectation has on customer satisfaction. Carpenter (2006) defines expectation as the difference between adequate service and what the customer expects according to perceived levels of service. Johnson (1995) outlines the zones of expectation as either satisfied/adequate, delighted/positive or dissatisfied/negative disconfirmation.

Using multiple regression to determine the moderating effect of dependent variables on satisfaction an R square score of .469 was returned. A significance score of .000 was returned which showed that there is a significant linear relationship between expectation and customer satisfaction. The Unstandardized B score returned a score of .644 which indicates that for every unit of change in convenience there would only be a 64.4% change in the slope of satisfaction indicating a strong relationship.

Expectation has a very strong internal reliability score of .816 thus indicating internal reliability. There is also present a strong correlation score of .618 and furthermore the variables share a linear correlation relationship. Plott (2005) states that customer expectations don't change but rather what you'll accept

does within your zone of tolerance. Flint (2011) adds that when customers feel their expectations have been met or exceeded this leads to satisfaction. Expectation is what the consumer expects the company to deliver and based on whether this is met or the customer is either satisfied or not (Carpenter, 2006). As subjective as satisfaction is as a measure, it's the ultimate measure of whether the business is meeting customer needs.

5.2.1 Hypothesis 3: Does promotion impact customer satisfaction?

This hypothesis was developed to test the impact that promotion has on customer satisfaction. Kacen (2012) states that promotion is a mix of price, quality and assortment and the greater the mix the more likely you are to meet the customer's needs. Vrechopoulos (2004) further adds that promotion is a function of personal interaction, physical appearance and problem solving convenience. Strong promotional displays create recognition and familiarity which makes it easier for customers to make their buying decisions (Vrechopoulos, 2004; Butt, 2000)

Using multiple regression to determine the moderating effect of dependent variables on satisfaction an R square score of .469 was returned. A significance score of .230 was returned which showed that there is no significant linear relationship between promotion and customer satisfaction. The Unstandardized B score returned a score of -.038 which indicates that for every unit of change in promotion there would be a decline in the change in the slope of satisfaction by -3.8%. This negative score shows inverse relationship.

The results above are not consistent with the literature that stated that promotion was a key contributor to a customer's satisfaction, customers may like specials or good deals but that does not drive their day to day behavior. The frequency of promotions may have also been a factor that should have been measured in more details as that was a significant item for respondents as promotions may happen not often enough to have a lasting impact on the customer's impression especially as majority of respondents stated the shop twice a week and promotions may only happen monthly. Though promotion is shown to be a reliable variable, it does not have any relationship to satisfaction which disproves the stated hypotheses.

5.2.1 Hypothesis 4: Does store atmosphere impact customer satisfaction?

McCamley (2018) states that customers seek a consistent experience, customers find greater comfort in a repetitive experience that is consistent. Masojada (2018) adds that customers seek to be entertained, stimulated and engaged and the store atmosphere is important factor in customer experience and how it makes them feel.

Using multiple regression to determine the moderating effect of dependent variables on satisfaction an R square score of .469 was returned. A significance score of .404 was returned which showed that there is no significant linear relationship between store atmosphere and customer satisfaction. The Unstandardized B score returned a score of .030 which indicates that for every unit of change in store atmosphere there would be a 3% change in the slope of satisfaction. This is a very weak relationship indicating minimal impact.

There is a correlation between the two variables with a very weak causal relationship and this may speak to the fact that grocery shopping is a primary activity where the customers are driven by the need and less so the experience. Unlike shopping for a vacation items or luxury goods the where the key drive would be the environment or mood, the respondents stated that store hygiene and store design which speaks more to the functional atmosphere and less so the look and feel.

5.2.5 Hypothesis 5: Does service impact customer satisfaction?

This hypothesis was developed to test the impact that service has on customer satisfaction. Gewal (2003) states that service includes but is not limited to the service of staff, how friendly and knowledgeable they are and the ease of the return policy that all contributes to a positive customer experience for service. Selema (2018) further adds that waiting time in store or long ques can lead to negative service experience for customers. Service quality mediates for customer satisfaction (Caruana, 2002).

A significance score of .483 was returned which showed that there is no significant linear relationship between service and customer satisfaction. The Unstandardized B score returned a score of -.022 which indicates that for every unit of change in promotion there would be a decline in the change in the slope of satisfaction by -2.2%. This negative indicates an inverse relationship.

Handling customer issues effectively and ensuring resolution at the first point of contact goes a long way to ensure a positive service experience. For the respondents friendly & knowledgeable stuff were important factors which speaks to the importance of the human element in the service offering. Though service is shown to be a reliable variable, in this case it has an inverse relationship with satisfaction. A bad service experience can lead to customer dissatisfaction, it's about product awareness, attitude, efficiency and problem solving (Selema, 2018).

5.2.6 Hypothesis B: Does customer satisfaction impact loyalty?

This hypothesis was developed to test the impact that customer satisfaction has on customer loyalty. Flint (2011) states that satisfaction is different from perceived service quality, a customer is able to separate their satisfaction with a product from the bad service received in acquiring that product, thus satisfaction is specific to the transaction. Customers are tolerant of elements of bad service as long as they fall within the customer's zone of tolerance (Nadiri, 2005).

There is a correlation co-efficient score of .352 between customer satisfaction and customer the variable variation is 12.4% explained by the linear model. The variability in the data is low which makes it easier for the model to predict. A significance score of .000 was returned which shows that there is a significant linear relationship between customer satisfaction and loyalty. The Unstandardized B score returned a score of .0221 which indicates that for every unit of change in satisfaction there would be an increase in the change in the slope of loyalty by 22.1%. There is a causal relationship or interdependence between these variables. Satisfaction is shown to be a reliable variable, it has a positive relationship with loyalty but the relationship is not as strong as suggested in literature. It could further be explained by Plott (2005) that introduces the theory of positive constraints where customers that are loyal are not always satisfied but rather avoid the financial & relational cost of switching. Respondents also placed significant value on the difficulty of switching to another store, which further shows that even they're not satisfied they effort and cost of switching is high. Loyalty is altruism, identification, advocacy and a willingness to pay more that speak of identifying with the service and lead to more predictable profit streams rather than unsatisfied customers that repurchase out of the habit or the avoidance of switching (Palmer, 2010; Jones, 2007).

Customer satisfaction simply put is when an exchange meets the needs and expectations of the user and that customer's post-purchase view of the transaction (Wirtz, 2004).

5.3Summary of relationships

The alternate hypothesis was accepted for two of the six put forward based on statistical findings when measuring expectation, customer satisfaction and loyalty. Convenience (HA1), Promotion (HA3), store atmosphere (HA4), service (HA5) showed no significant relationship when measuring their impact on customer satisfaction which proves false the hypothesis of them impacting customer satisfaction. Service and promotion even went further by having a negative relationship. Expectation (HA2) was shown to have a significant relationship with customer satisfaction and thus the hypothesis was not proven false.

The second research question was also answered statistically where customer satisfaction (HB1) was shown to have a significant relationship with satisfaction. There were varying levels of correlation within the variables, the strongest correlation between expectation and customer satisfaction, and Store Atmosphere correlated strongly with physical features.

Even though the customer relationship was measured as a modal variable, it showed a significant linear relationship and a strong correlation with customer satisfaction depicting a causal relationship.

Factor	Correlation	Significant factors	Insignificant factors
HA1 Convenience	-Weak (0.033/ 3.3%) -No significant linear relationship	-Store location; -Accessibility	-Shopping hours; -One-stop convenience; -Efficient lines; -Availability of merchandise; -Availability of variety
HA2 Expectation	-Acceptable (.644/64.4%) -Significant linear relationship	-Expectation Regarding Merchandise -Expectation Regarding Service -Expectation Regarding Store Physical Features	-Convenience -Promotion -Atmosphere
HA3 Promotion	-Negative (-.038/-3.8%) -No significant linear relationship	-Ease of finding items on promotion -Frequency of specials	-Reasonable pricing -Suitability of loyalty programs
HA4 Store Atmosphere	-Weak (.030/3%) -No significant linear relationship	-Store design & color -Store hygiene A good shopping experience	-Music played in store
HA5: Service	-Negative (-.022/2.2%) -No significant linear relationship	-Friendly staff -Knowledgeable stuff	-Personalized service -Simple return policy
HB1: Loyalty	-Acceptable (.220/22%) -Significant linear relationship	-Have a favorite store I prefer to shop at -I go out of my way to visit my favorite store -I intend to continue shopping at my favorite store -It would be difficult to switch to another store -It would be inconvenient to switch between stores -I would describe myself as a loyal customer -I often straddle between stores	-It would be costly to switch to another store -I would recommend this store to friends.

The failure of the data to support H1, H3, H4, H5 is inconsistent with literature of Jones (2007), Szymanski, D. M. (2001), Gray, B. a. (2004). These authors argued that service, store atmosphere, convenience and the physical features of a sure affect customer satisfaction. The results of the hypothesis indicate that expectation impacts customer satisfaction and that customer satisfaction impacts customer loyalty.

CHAPTER 6: CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

6.1 The literature review revisited

The study sought to assess the relationship between customer expectation, satisfaction and loyalty among SA grocery retail. This study focused on the customer as a key stakeholder in the satisfaction process and outcome, on customer expectation, and how customer expectation and satisfaction shape customer loyalty. The study sought to expand knowledge and insight on local consumer behavior, particularly in terms of customer satisfaction and expectation. It focused on the South African grocery shopping experience.

Literature reiterates that a customer assesses service performance based on two standards, based on what they expect and what they deem acceptable and within the zone of tolerance that separates desired service from adequate service (Plott, 2005). Furthermore the zone of tolerance is a subjective range that expands and contracts within the same customer. A positive relationship exists between the level of personal needs & desired service and how much something is needed can determine how we'll need it and what our expectation are (Zeithaml, 1993). The higher the customer's perceived self-service role the higher the service role, by involving the customer in the process it allows them to take ownership of the outcome (Nadiri, 2005). Situational factors temporarily lower the adequate service level and if retailers are able to rise above these factors and provide even a reduced service it earns you far more than good service in good times (Flint, 2011).

Customer's perception that alternatives exist may raise the level of adequate service and narrows the zone of tolerance and this forms part of attitudinal loyalty and the customer's perception of switching costs (Blut, 2015). Customer's perception is in closely understanding all the factors that inform the purchase, such as convenience, expectation as stated by Moeller (2009) & Carpenter (2006). Companies that meet the expectations of the customer will experience higher customer satisfaction and engagement which lead to greater Customer loyalty.

6.2 Summary of Key Findings

It is imperative to note that a quantitative analysis was carried out using an electronic survey as the data collection instrument. Non-probability sampling was used in particular snow balling as a sampling method. A total of 288 respondents completed the survey and data was analyzed using SPSS version 25. A summary of the hypotheses testing results are presented in the table below

Hypothesis 1	Convenience does not impact customer satisfaction.	**Not Supported**
Hypothesis 2	Customer expectation impact customer satisfaction.	**Supported**
Hypothesis 3	Promotions does not impacts customer satisfaction	**Not Supported**
Hypothesis 4		**Not Supported**
Hypothesis 5	Service does not impact customer satisfaction. Friendly and helpful staff were what the respondent valued the most.	**Not Supported**
Hypothesis 6	Customer satisfaction impacts customer loyalty.	**Supported**

6.3 Contribution and implications for businesses and policy makers

The study contributes to the empirical understanding of the effect customer expectation and satisfaction have on customer loyalty, with particular focus on the South African context. Most studies that exist are international and do not have an understanding of the unique service levels specific to South Africa. There is a prevalence of trend analysts and companies that advise business on the future of retail. Jonker (2017) evaluates the number of retailers closing retail outlets in 2017, as well as numerous malls further loosing strategic tenants. This is attributed to a lack of understanding what the customer wants over and above the economic pressures faced locally (McCamley, 2018).

Changes in consumer habits, the retail landscape and the amount of options and variety available have affected the buying behavior of customers as we understand it. Given this, it would be worthwhile to further examine this, as well as patterns and extent in this regard. Experiential shopping drives volume and margins, but it must be understood how these factors tie into the experience that the customer has, in order to leverage this for the growth of the business (Selema, 2018), and the importance of understanding customer satisfaction particularly in a diverse cultural context (Selema, 2018).

6.4 Limitation of the Study

No study is without limitations and the limitations of the study are summarized as follows: There may be limitations to the methodological approach taken which may affect the results and we need to discuss how these will be dealt with. The study design or measurement may not always be the best and may have possible limitations, these need to be disclosed upfront for the reader to know. There are two types of limitations, technical and administrative.

The limitations of the study included:

- Recent research and theory on the local retail sector
- The information may be subject to bias and respondents may not be objective in their response but rather reflect the relationship they aspire to have with their retailer of choice.
- The instrument was limited in its ability to collect additional information that may give further clarity or depth to a response.
- The variable of quality was not measured in the study and this would have been a greater contributor to customer satisfaction.
- The promotion variable needed to cover a frequency item as respondents stated they purchase weekly but the frequency of specials was not recorded.
- More deeply understanding service and how it impacts customer satisfaction

6.5 Recommendations of the study

The outcomes of this study present significant opportunities to advance future research to the current literature that exists on the relationship between customer expectation, satisfaction and loyalty among SA grocery retail. This study therefore recommends:

- A study on how quality contributes to the satisfaction equation
- Understanding how online pre-shopping or price comparison is affecting the grocery in the physical channel.
- The impact of the loyalty programmes for each of the retailers
- Use of larger samples in order to increase the credibility of the results of the study given that the topic at hand is multifaceted in nature.
- Future studies can be longitudinal to track the behaviour of respondents over time, and be carried out on a larger scale, perhaps regional, provincial, and national in order to improve accuracy and enhance generalisability.
- Triangulation can be used so that diverse facts, views, opinions, attitudes, motivations, likes and dislikes can be generated across different research methods.

6.6 Conclusion

Even though convenience, service, promotion and store atmosphere do not have a significant linear relationship with customer satisfaction these variables do have an impact that cannot be statistically justified/proven.

Expectation has a strong statistically significant impact on satisfaction but more needs to be done to further understand this in terms of the time, cost, and quality and scope perspective to understand exactly what expectation is to and which of its domains are positively contributing to satisfaction.

Customer loyalty is about knowing customer, rewarding them for their loyalty and encouraging customer feedback. Loyalty is result of customer satisfaction, a customer who is satisfied is given a reason to stay and continue supporting your business.

When a customer evaluates their satisfaction with a particular shopping experience the domains of consideration is whether their needs and expectations were met. If these results are to be taken at face value, it would conclude that more work needs to be done on understand how quality and technology have done to better grocery shopping experience

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Annexures

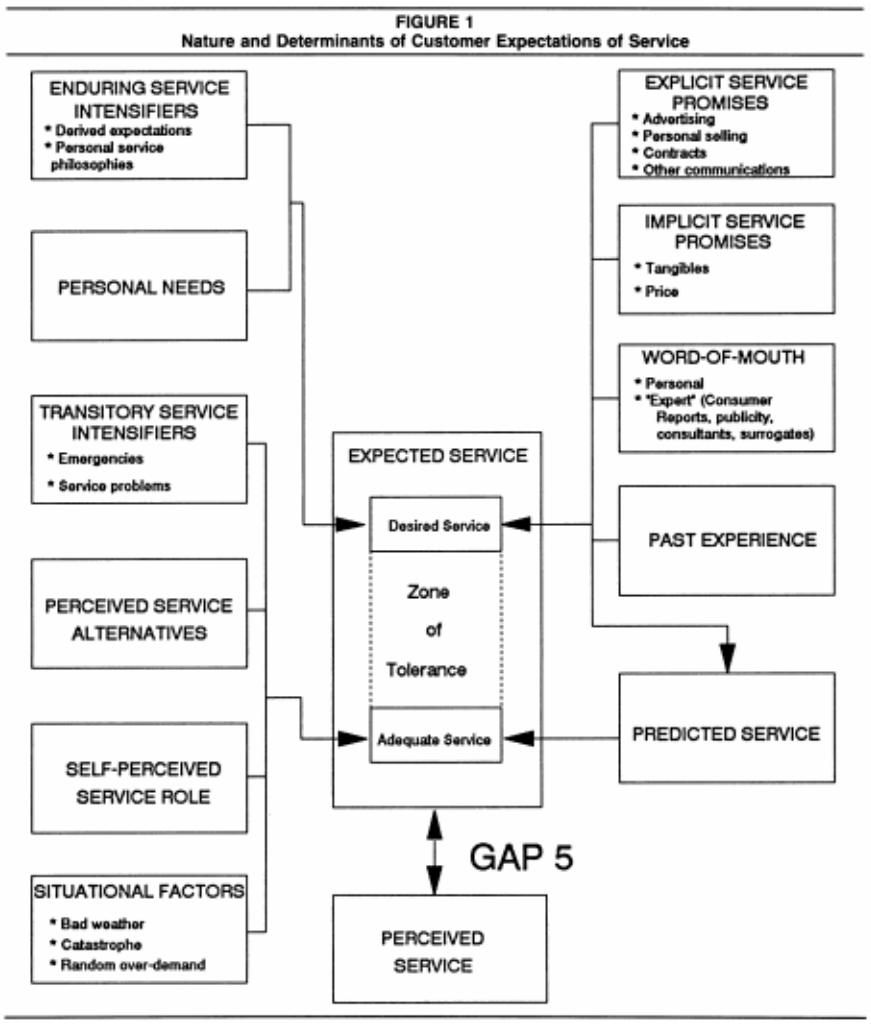

Figure 1.2 Determinants of customer expectation (Zeithaml, 1993)