

**A COMPARATIVE STUDY OF SERVICE PROVIDERS AND CUSTOMERS
PERCEPTIONS OF SERVICE QUALITY IN THE RETAILING INDUSTRY: “A
CASE OF SUPERMARKETS IN NAIROBI”.**

BY

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS
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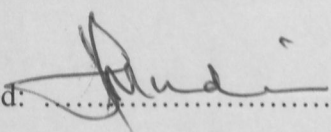
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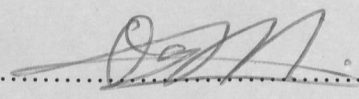
OCTOBER 2000

DECLARATION

This project is my original work and has not been submitted for a Degree in any other University.

Signed:  Wed 22/11/2000
Ngatia E.M

This project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

To those who believe in tomorrow and ‘wife’ and grandmother Grace Njeri Mundia

And in the memory of my late grandfather from whom I got the inspiration from.

My profound thanks goes to Dr. Martin Ogutu for agreeing to be my supervisor and for sharpening my interest in the subject. Also to Prof. K. Obonyo, Dr. Musyoka, Mr. Masile for good advice given, Mr. Ireri, Mr. Siarwa of the Faculty of Commerce. Others deserving mention are the “great teachers” at the Faculty for their support and advice as well as non-academic staff who acted as Lubricants in the voice- delivery process.

To my parents David Ogutu, Mum, Sisters, Alice, Irene, Miriam, Wambui and Wairimu, Brothers Kari and Jumi for being a source of inspiration and encouragement. Others deserving mention include my friend since childhood Josue Wathaka, cousin Carl and Mr. V. Kiproti, Njiru, Jack, Mwangi the Librarian, S. M. M. O. O. O., among others for everything.

I want to thank all my classmates for everything. Guys it was inspiring to know you and share with you.

Lastly I wish to thank Alice for everything she has done for me. You have done me proud and I will always remain indebted to you. God bless.

There are many others whose help is not mentioned in one way or another helped me to become I am and I am grateful to you. Lastly to my dearest you also deserve thanks since through you I have come to learn about my responsibilities. Every day I will be with you always. All of you and others, it is God who is here to help me to reach you by my side.

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The course I undertook from 1998 to date has been thought provoking, challenging and inspiring as well as an eye opener to great heights of reaffirmation focus and thrust in life. In few words it's a long-life experience with a creation of better "i" in "me". The new re-awakening however has come into fruitations through not only efforts of my own, but also of others.

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I wish to thank all my classmates for everything. Guys it was inspiring to know you, and share with you.

Lastly I wish to thank Alice for everything she has done for me. You have done me proud and I will always remain indebted to you. God bless.

There are many others despite being not mentioned in one way or another helped me to be what I am, and I would say kudos, Lastly to my detractors you also deserve mention since through you I have come to learn about my competencies. Everybody deserves to have an enemy anyway. **All of you and others, it is Godsend to have been fortunate to have you by my side.**

SYNOPSIS (ABSTRACT)

This study was conducted with the objective of comparing perceptions of both service providers and customers of service quality in supermarket in Nairobi.

To achieve this objective, samples of 50 supermarkets and 215 customers were picked who were administered a questionnaire which had both semi-structured and likert-matrix questions. The sample of supermarkets was picked through random sampling while rule of thumb was used for customers where the fourth adult customers who had previous shopping experience at the supermarket was given a questionnaires for self administration. Questionnaires for the supermarkets were administered through drop and 'pick' method. Of the selected sample, 34 supermarkets and 180 customers filled the questionnaires.

Data collected was analysed using the percentages means, standard deviation.. Percentages were mainly used to analyze part A of the questionnaires and means, standard deviations and variances were used to analyze part B of the questionnaire to aid in comparison.

Analysis of the data indicated that there is a concurrence by both service providers and customers that availability of merchandise, prompt services, and physical facilities are important in their perception of service quality. The results showed that service providers do not perceive problem solving variables such as complaints handling and customers

care variables such as offering suitable offerings to each customer category group as important. Both groups however perceives parking as not important factor of service quality.

These findings therefore led to the conclusion that service providers and customers perceptions of service quality differs especially in areas that concerns with dealing with customers.

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CHAPTER ONE

INTRODUCTION

1.1 Background

The retailing industry is changing more rapidly than ever before, the slow economic growth, sharply spiraling costs of crucial resources, fierce intensifying competition from both domestic and foreign companies, a spate of mergers and acquisitions, and more tougher, sophisticated and demanding customers who have a greater expectations related to their consumption expenses, are turning retailing into an all out, no hold barred competition (Berry 1986: Sellers 1990; Smith 1989).

As competition intensifies (Baker 1993), observes that, organizations have realized that the strength of their brand names, corporate images, effective advertising, price, trademarks, among other, are no longer sufficient to differentiate them from their competitors.

Christopher et al (1997) observes that organizational survival will depend upon their moving close to their customers, fully understanding their needs and wants. In the same vein Dayle (1994) argues that, for a business to succeed it should engage or focus on satisfying customer needs and this can be through organizing itself to meet the needs of target customers more effectively than its competitors.

Supermarkets retailing industry has traditionally been associated with using low pricing strategies, dealing with an assortment of all varieties of merchandise, location, among others, to create a competitive edge over other types of retailers. Studies earlier conducted advances price-quality-value relationship (Dodds, Monroe and Grewal 1991), which posits that there is a positive relationship between price, perceived quality and perceived value. However studies conducted (such as Parasuraman et al 1985) observe that in retail outlets, price is increasingly becoming the least important attribute that consumers associate with quality. Studies (such as Babakus and Boller 1991; Babakus and Inhoffe 1993; Brown, Churchill and Peter 1993, among others), show that, service quality rated higher when end users, that is, customers of retail services were interviewed or surveyed.

Marketers posit that the distinction between services and goods producing sectors of the economy is an artificial one in that every firm sells service to its customers. Levitt (1991) argues that a product is more than a tangible thing and from the buyer point of view "the product is generally a promise" of a cluster of value expectations of which its non-tangible parts are as integral as its tangible parts. As a result Levitt asserts that companies that market tangible products, invariably promise more than the tangible products themselves.

Although some objective measures of service quality can be taken as they are performed, such as time spent waiting, number of errors in filling an order, and the like, according to Zeithaml (1990), it becomes quickly apparent that such measures do not adequately

capture the real test of service quality of whether the customer was satisfied. Marketers therefore have been forced to recognize that they must ultimately define quality in terms of customers' subjective opinions, for their decisions take place in the mind. Service providers therefore need to emphasis on customers and their changing needs rather than on efficiency of internal processes.

The service providers may pursue diverse goals ,such as, of only providing merchandise, feeling that it will provides customers with guaranteed quality, while on the other hand, other factors besides availability of merchandise may be important in customers' perceptions and evaluation of service quality in the supermarkets.

Service quality is concerned with meeting customers' expectations and according to Baker (1994) ,conformance to an organization quality specifications matters nothing ,if those specifications do not meet customers perceptions of quality. A firm thus need to be careful that , measurements it takes to monitor quality , matches those that customers use, for the customers may have different views/perceptions of the service quality than the service providers.

1.2 Empirical studies

Several empirical studies have been carried out in the field of service quality. There is a consensus that the retailing strategy to create a competitive advantage is through deliverance of high service quality. (E.g. Berry 1986; Hummel and Savitt 1988; Reichheld and Sasser 1990).

There has been studies conducted in several settings and researchers have used a scale of measuring service quality known as SERVQUAL, to measure five dimensions of service i.e. quality, tangibles, reliability, responsiveness, assurance and empathy. Several researchers have tried to adopt the SERVQUAL instrument in several settings. These settings include a health setting Babakus and Mangold (1989), business to business services (Brensinger and Lambert, 1990), a dental school ,patient clinic, business school placement center, tire store and acute care hospital Carmen (1990), a utility company (Babakus and Boller 1991), department stores Finn and Lamb 1991), banking (Spreng and Singh 1993).

The study carried by Finn and Lamb (1991) which was to test SERVQUAL in four different types of retail stores which used confirmatory factor analysis did not find a good fit to the proposed five factor structure and concluded that the instrument could not be used as a valid measure of service quality in a retail setting. They did not offer any alternative acceptable structure or measure.

Guiry et al (1992) using an exploratory factor analysis, revealed seven dimensions of service quality. These are personal service during interaction with employees, merchandise assortments, store transaction procedure reliability, employee availability in the store before interaction, tangibles, store service policy reliability, and price. The research was based on exploratory factor analysis and not on a theory based factor

structure and thus was not a "fit" measure of service quality. However this study formed a good start towards the development of a service quality scale.

In a study by Dabhoklar et al (1996), they proposed that in evaluation of service quality in a retail setting five dimensions – physical aspects, reliability, personal interaction, problem solving and policy be adopted in the retail settings to measure service quality as they reflected the perception of customer towards service quality.

The striking observation about all these studies is that despite the fact that both service providers and customers perceptions are important in understanding of service quality, they have been one- sided ,only concentrating on the customers, ignoring the service providers perceptions ,of which congruence has to be attained ,if at all, expectations of the customers will be met.

A study carried out for General Electric by Morgan and Leonard (1985) , was able to point out the striking differences between consumers and managers perceptions of appliance quality. When asked how consumers perceive quality, managers listed workmanship, performance and form as critical components while consumers mentioned different components, appearance, cleanability and durability. This study clearly shows that services providers and customers have different language about what they perceive as service quality.

1.3 The supermarket industry in Kenya

The supermarkets industry in Kenya has undergone a series of major transformation in recent years prompted mainly by aggressive competition stance brought about by liberalization.

1.4 Statement of the problem

From the first supermarket in 1960's there has been a tremendous growth in the number of supermarkets in Kenya. Nairobi has experienced the largest growth. By April 2000 there were more than 191 supermarkets licensed to operate in Nairobi area by city council licensing office, a momentous growth from the few existing in the 1960's.

Several studies have been carried out on supermarkets in Nairobi. Karemu (1993) carried a study on the state of strategic management in Nairobi and found that there was intense competition especially for supermarkets within the city center, for they are concentrated in one place and directly competing for the same customers. The study also found that service, location, and variety of merchandise were most mentioned as creating competitive advantage.

Lagat (1995) study found that 77% of all supermarkets surveyed reported a fairly turbulent marketing environment but sadly most supermarkets (97% surveyed) did not have a marketing department and that marketing intelligence activities are done informally despite great competitive advantage achieved as a result of marketing intelligence activities. Munyoki (1997) in his study found that prices of consumer goods studied were found to vary according to the age, size and location of the supermarket.

From the foregoing no research has been conducted on service quality in the retailing industry in Kenya.

1.4 Statement of the problem

Supermarkets play a very significant role of bridging the gap between manufacturers and consumers.

1.5 Objective of the study

Supermarkets have traditionally Competed on price and variety of merchandise but as Karemu (1993) notes ,stiff competition in the industry has forced the supermarkets to look for other strategies to make them attractive to customers. One of them , being service quality.

1.6 Importance of the study

Flynn and Goldsmith (1996) argues that perceptions of service quality has received almost no theoretical measurement attention, despite the fact that its' thought to be great of importance in the success of service delivery. Most studies conducted have been one-sided i.e. biased towards customers (e.g. Babakus and Boller 1992; Churchill and Peters 1993; Dabholkar 1996) and almost nothing on the service providers .

Researcher - it will give researchers an insight ,which will act as a springboard to

There is a gap between perceptions of both service providers and customers on understanding of what service quality is and unless the perceptions are understood there will always be a gap in the delivered service by service providers and expectations of the customers.

This study is therefore aimed at comparing the service providers and customers perceptions of service quality in supermarkets in Nairobi and is aimed at answering the question:

Is there a difference between service providers and customers perceptions of service quality in Nairobi.

1.5 Objective of the study

1. To determine whether customers' perceptions of service quality provided in supermarkets is different from that of the service providers.

1.6 Importance of the Study

- **Marketing practitioners** – this will enhance their understanding of service quality, which will aid them in integrating it in their marketing activities.
- **The supermarket owners** – it will give them a distinctive knowledge about how their perceptions of service quality differ with those of customers and strive to narrow the gap.
- **Researchers** – it will give researchers an insight, which will act as a springboard to stimulate further research.
- **Other industries** - The study may be of help to other type of industries such as manufacturing, banking, tourism etc.
- **The academic fraternity** i.e. students in marketing and other related disciplines

1.7. Operational Definitions

1. *Service quality:* This will be taken to mean, all activities that are aimed to meeting the customers expectations from the pre-purchase, purchase to post-purchase stage.
2. *Service providers:* In the context of this study, service providers will be taken to mean supermarkets and both will be used interchangeably.
3. *Supermarkets:* A large scale departmental retailing institution offering a variety of merchandise, and operates on a self -service basis, with a minimum of customer service (Stanton and Futrell, 1987). This definition is adopted for the study.
4. *Perceptions:* For this study Kibera and Waruinge (1998) definition will be adopted which defines perceptions as being result of two factors i.e. stimulus factors which characterizes the physical object and individual factors which are characteristics of the individual.

1.8 The Structure of the study.

The study covers Supermarkets in Nairobi and their customers.

The study is divided in five chapters:

Chapter One consists of the Background, the statement of the research problem, the objective , the importance of study and the operationalization of definitions. Chapter two comprises of literature review on retailing and Service quality. Chapter three discuss the research framework which includes the population, sample frame used, the research instrument used and methods used for data Analysis. Chapter four deals with

data analysis where research findings are presented Chapter five gives summary and conclusions of the study as well as limitations and suggestions for further research.

2.0 LITERATURE REVIEW

2.1 RETAILING

2.1.1 An overview

Retailing is arguably one of the largest industry, generating trillions of dollars annually worldwide. From literary readers who purchase their products and services, the firms dealing with retailing are found in almost every sector of the economy. Some of the major retailers are found in the following list:

The industry employs hundreds of millions of people worldwide. The industry covers a wide range of products and services ranging from food stuffs, fashion, body care products, electronics, to auto dealership and thus play a very pivotal role in the economy through provision of goods and services to satisfy the ever changing needs and wants of people. According to Karamo (1993), retailing can be regarded as people business as it continually focuses on ultimate or final consumer.

2.1.2 Definition of Retailing

There is no precise definition of retailing but several definitions have been advanced

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 RETAILING

2.11 An overview

Retailing is arguably one of the largest industry, generating trillions of dollars annually worldwide. From itinerary traders who peddles their products and services, the firms dealing with retailing are found in one location, others are found in many locations whereas others are multinationals such as McDonalds.

The industry employees hundreds millions of people worldwide. The industry usually deals with assortments of all kinds of products ranging from food stuffs, fashion, body care products, entertainment to auto dealership and thus play a very pivotal role in the economy through provision of goods and services to satisfy the ever changing needs and wants of people. According to Karemu (1993), retailing can be regarded as people business as it continually focuses on ultimate or final consumer.

2.12 Definition of Retailing

There is no precise definition of retailing but several definitions have been advanced.

According to Kotler (1997)

“Retailing includes all the activities involved in selling goods and services directly to final consumers for their personal, non-business use”.

Redinborough (1976) defines

“Retailing includes all those business activities associated with selling goods and services to the ultimate consumer or final user for personal consumption”.

These definitions concurs with Kibera and Waruingi (1998) definition that a retailer is usually an individual or an organization which predominantly sell goods and services to final consumers or users.

Retailers uses various methods for retailing ,but Kotler (1997) argues that any organization that does this type of selling whether a manufacturer, wholesaler, or retailer is doing retailing, and it does not matter the mode through which the goods or services are sold. In retailing, goods and services are sold through several ways,among them,by person, mail, telephone, or vending machine .The goods and services are sold in a store, in the street or in the consumers' homes. In Kenya, traditionally retailing involved retail stores but in recent years, non-store retailing has grown tremendously especially after liberalization of the economy in the early 1990s.

2.20 History of Retailing

2.21 Evolution of Retailing

Theorists have advanced theories that try to explain the evolution of retail stores, some of which includes wheel of retailing, the retail accordion, the Dialectic process, Natural selection, and Retail life cycle.

i) The wheel of Retailing

This theory is used to explain the growth of supermarket in such a way that price is related to the age of the supermarkets. The theory posits that older supermarket will charge a higher price than the young ones. Holdren (1960) argues innovators in retailing appear first as low margin, low price operators but as time passes they upgrade their facilities and services, their margin rise, and they mature as high cost, high price retailers vulnerable to the next innovator. However, McNair and May (1976) considered the fathers of wheel of retailing, dismissed the theory as too narrow and deterministic and thus its inadequacy in explaining changes in retail structure.

ii) Dialectic process

This theory posits that when retailers are challenged by a competitor with a different advantage, they mutually adapt in face of competition thereby negating some of the innovators' attraction. The two retailers gradually move together in terms of offerings, facilities, supplementary services and prices as a resultant of the mutual adaptations.

iii) Retail Accordion

This theory posits that retail institutions usually evolve from broad based outlets with wide assortments to specialized narrow – line store merchants and then return to the wide assortment pattern. According to Mason and Mayer (1981), supporters of this theory argues that, modern retailing began with general stores, then developed to specialized stores, but began to move back to general stores in the 1980s. This typifies a general – specific general trend.

iv) Natural selection

This theory is modeled on the theory of natural selection that posits that it is only the fittest that survive. Dressman (1968) argues that the retailing institutions that are likely to survive and prosper are those ones that can effectively adapt to environmental changes. This means that retailers need to continuously monitor their environment, the ever-changing consumer buying habits, preferences, needs and wants.

v) The Retail life cycle

This theory is modeled and synonymous with the product life cycle. According to Davidson, Bates and Bass (1976) like a typical product life cycle, a retail store goes through the phases of early growth (innovation), accelerated development, maturity and decline. This theory may be used to explain the phenomena of supermarkets in Kenya such as Makro, Jack and Jill, which grew tremendously but are now experiencing decline after reaching maturity.

2.22. The cradle of Retailing

Retailing has been in existence for a long time. According to Bolen (1988), the retail Shop has existed in some form in every civilized land. From the market square of the ancient times to the shops, and to the several retail establishments worldwide, retailing has reflected the evolution of the society in a given location.

According to Barker et al (1956) the first major developments in retailing were markets and fairs during 13th century which had religious foundations. Next to develop was the shops due to convergence of people in villages and towns. They were general stockists of merchandise with limited assortment of any commodity due to stockists limited capital. As people continued to converge and resources increased, the stores size increased as well as the variety of merchandise they handled.

2.3. Classification of Retailers

There are several ways of classifying retailing among them,

1. **Method of operation.** Retail organizations according to Kotler (1997), exhibits great variety and new forms keep on emerging. However, retailing is of three types;
 - Store retailing – in this type, there are several categories which include special stores, department stores, supermarkets, convenience stores, discount stores, off –price retailers, superstores among others.
 - Non-store retailing- This type of retailing falls into four major categories, direct selling, direct marketing, automatic vending and buying services.

- Retail organizations – This type of retailing falls under some form of corporate retailing. The advantage of this form of retailing according to Kotler (1997), includes many economies of scale, such as greater purchasing power, wider brand recognition and trained employees.
2. **Forms of ownership** – Retail establishments normally have different ownership. According to Kibera and Waruinge (1998), they can be independent where they are owned by individuals, (for example sole traders or partnerships) corporate chain shops having centralized buying and common ownership or they can be government owned (e.g. uchumi). Other forms of ownership includes voluntary chain, a retail cooperative chain or manufacturers sponsored systems (e.g. Bata shoe shops, Deacons among others).
 - 3 **Type of merchandise carried** – Retail establishments also can be classified in terms of variety and assortment of the goods they carry.
 - 4 **Merchandise group** – The retail stores are classified depending on the type of merchandise they deal in. For example food stores, furniture stores, liquor stores, among others..
 - 5 **Location** – This is widely used classification. It is mainly used by manufacturers or dealers where they use regions to classify several areas of segmentation. In major towns in Kenya, there are all sorts of retail stores ranging from dukas to kiosks and wholesale stores. Supermarkets are found in major towns in Kenya and some supermarkets in Nairobi also have branches in other towns. For example uchumi which has branches in Kisumu, Mombasa, Nairobi, and Eldoret. In Nairobi,

Supermarkets are located within the city center and the suburbs, for instance in Westlands, Hurlingham, South B, Buruburu and Dandora among others.

- 6 **Size of Trading Area:** Munyoki (1997), argues that size of trading areas is a useful basis for classification. Some supermarkets are very large such as Nakumatt while others are small. Some have branches in different places within Nairobi, and therefore have large trading space in-order to woo customers ,to increase their sales volume.

2.4 Importance of Retailing

Retailers acts as consumer purchasing agent and makes the customer's buying job as easy and convenient as possible. The consumers expects to get as many varieties of different items as possible in any given store. Redinhough (1976) argues that a retailer plays an important role as a supplier of the right kind and quality of merchandise at the opportune time and at the right place. This means that it offers time, form, and place and possession utilities and creates assortments that appeal to different customers.

The retailers buy on the behalf of the customer and therefore act as a final link in the distribution system Hasty (1983). This is because not every customer can buy directly from the manufacturer as manufactures do not sell products in small bulks. The retailers break the bulk into smaller units which customers can afford to buy.

Karemu (1993), notes that retailers also finance the stock and assume risk as the tittle to merchandise change hands. Since there is usually a large time between when a retailer

buys and the time the consumer buys and consumes the product or service, the retailer assumes the risk as the title to merchandise change hands.

The retailers also play a significant role in stimulating demand just as the producer Karma (1993) notes that retailers engage in personal selling, advertising, sales promotion as well as product policies. The retailers deals with many manufacturers and are able to generate high sales volume in order to increase their margins and offer different range of merchandise from different manufacturers.

Lagat (1995) also underscores the importance of retailers as source of information about the market since they are closer to and interact with the customers. Munyoki (1997) also argues that the provision of different varieties of items with price labels attached by supermarkets act as information guide to shoppers.

Retailers also play important role in the economy, in that it offers relief to unemployment. For example in Kenya, retailing is a large employer. Karemu (1993), notes that it was the fifth largest source of employment in Kenya in 1974.

2.5 Supermarkets

2.51 Definition of supermarkets.

There is no precise definition of what a supermarket is. Kibera and Waruinge (1997) defines a supermarket as a large scale retailing institution with several departments and operating primary on a self service basis.

Pickering (1966), defines a supermarket as a store with at least 2,000 square feet sales area, with three or more checkouts and operated mainly on a self - service basis, whose range of merchandise comprises of food groups, basic household requirements and cleaning materials.

2.52 Advantages of supermarkets

2.52 History of Supermarkets

According to Appel (1992), supermarkets did not emerge until the late 1920s'. They developed as an antithesis of the small independent outlet, which tended to specialize in meat, produce, or dry groceries. Their growth according to Kotler and Armstrong (1997) was due to several reasons, some of which includes:

- The great economic depression of 1930s, which made consumers more price conscious.
- Advertising which increased brand pre-selling which reduced the need for sale clerks.
- One stop shopping of grocery meat and household goods in a single location luring customers from greater distance, giving the supermarkets a chance to generate more sales to offset their lower margins.

2.53 The growth of supermarkets in Kenya

Supermarkets have of late been facing stiff competition from other types of retailers such as foodstores, discount stores, and superstores. This has forced supermarkets to adopt proactive measures such as operating fewer but larger stores as well as dealing with many non-food items such as beauty aids, prescriptions, durable goods such as home appliances, sporting goods, clothings, among others, inorder to increase their profits. According to Mason and Mayer (1981) supermarkets are also providing larger parking

space, longer opening hours as well as increasing their promotional budgets (For example Namukatt, Uchumi, Lucky stars) and moving to private brands (For instance Jack and Jill and Uchumi) to improve their services and facilities to attract more customers.

2.53 Advantage of supermarkets

Supermarkets usually have advantages over the other traditional retailers for the following reasons.

- They buy in bulk , enjoy economies of scale ,and extend discount to customers.
- Employ large trading space and so can stock more items.
- Run on self- service, which helps to attract more customers.
- Avail convenience to customers who can almost buy everything needed under one roof.
- They also accept credit cards and offer convenient store shopping hours, which usually extends to the night. Many supermarkets in Nairobi closes between 7.30 p.m. to 8.30 p.m.

2.54 The growth of supermarkets in Kenya

The history of supermarket in Kenya dates back in 1960s when there was self - service stores in Nairobi. The first ones to be recorded includes Westlands General store (1960) K & A (1992), Ebrahims self service store (1970) and Uchumi Supermarkets Ltd (1975). Many supermarkets in Kenya in 1970s and 1980s were Asian owned and were run as family businesses Karemu (1993).

Liberalization in early 1990s has seen a momentous growth of supermarkets in Kenya and especially, so in Nairobi. This phenomenal growth has also seen large supermarkets coming up which one owned by Africans. A case in point is Fairlane supermarket and Magic superstores, which are owned by Africans unlike the situation in 1980s where Kenyans of Asian origin owned most supermarkets.

Munyoki (1997) argues that 70% of all supermarkets in Nairobi were established after 1980 and that 74% of all supermarkets in Kenya are found in Nairobi. This increase in supermarkets and concentration can be justified and explained by the increasing migration by rural people to Nairobi in search of jobs and the changing lifestyles of majority of Kenyans. Munyoki (1997), argues that supermarkets with their “one roof” shopping where a wide range of assorted merchandise is found with long hours of service and low prices, offers a good remedy to the problems of city workers by offering convenience and saving of time.

2.55 Problems facing supermarkets

Several studies carried out on supermarkets in Nairobi have enumerated the various problems that they encounter. In the views of (Karemu 1993; Lagat 1995; Munyoki 1997) supermarkets in Nairobi faces several problems among which the notable ones includes:

- Loss of control of customer movement unlike the self service stores, large space occupied by supermarkets have led to monitoring of customers movements being

- hard which have encouraged shoplifting. This however has been curbed dramatically by introduction of modern Television monitors, scanners and convex mirrors that are placed strategically inside the supermarkets to monitor customers.
- The merchandise purchased are usually in bulks which makes it hard for inspection which may increase the incidence of damaged items, making supermarkets to incur losses. Some suppliers agree to replace damaged items while others decline to replace them.
 - High transportation costs of merchandise especially if the source and the supermarkets are far apart.
 - Running of supermarkets patrimonially where ownership and major decision making position within the supermarkets are found in the hands of family members. According to Karemu (1993) many of them lacks managerial skills to run the businesses.
 - Problem of expiry dates of products such as fruits, juices, cooking fat. This has seen the supermarkets running price reduction strategies “Hurry while stocks last “or ‘special price offers” to clear stocks of products that are nearing their expiry dates.

2.6 Service quality

2.61 Introduction

Quality is a difficult concept to define and measure yet in marketing, the quality of service is central to the success and growth of the business.

Traditionally quality management arose in manufacturing, through the pioneering quality control efforts of Schewart, Deming, Juran and others. These were focused towards engineering tolerance and defect rates which are measured objectively by scientific instruments. These efforts were internally focused and quantitative and used scientific methods to test the standards set by the quality control people such as statistical quality control. In services, it is very hard to apply similar measures since quality is usually subjective and industry-specific.

2.62 Definition of Service quality

The conceptualization of service quality into a definition that captures all variables has remained elusive to many researchers. Nevertheless, several researchers have tried to give various explanations that loosely define service quality. Service quality has been seen as concerning meeting customers expectations Baker (1994). Hubbert (1995) defines service quality by reporting on a study exploring service encounter satisfaction versus overall satisfaction versus perceived service quality. Hubbert (1995) observes that, although the three constructs are distinct, they are related attributes of consumer perceptions of service quality. The above definition shows that service quality is not a one- occurrence act but it's a set of processes from pre-transaction to post transaction stage.

Steakamp and Hoffman (1995) argues that both price and promotions are marketing signals for service quality and it depends on the extent to which potential and current customers of a firm can rely on market signals in evaluating services quality. In contrast

several studies (e.g. Bonner and Nelson 1985, Dabholkar et al 1996) have shown that price has increasingly become a least attribute that consumers associate with quality.

2.63 History of service quality

The domain of service quality began in earnest in late 1970s' with the realization by firms that competitive environment required proactive ways in order to remain competitive, that profitable and successful. This revolution could be traced in part to a study of top performing companies, which drew attention to the efforts they were placing on 'getting closer to their customers'.

The efforts by organizations to focus on service quality saw the dawn of service quality research in the late 1970s' through 1980s'. Rust and Oliver (1994) observes that arguably the most significant pioneer in the field include C. Gronroos who established a research agenda for service quality for he introduced the first comprehensive model of service quality. Berry L, Parasuraman A, and Zeithmal amplified the model and refined Gronroos framework and devised an influential service quality rating scale which came to be referred to as SERVQUAL.

2.7 Customer perceptions, expectations and satisfaction

The main theoretical paradigm for service quality research in marketing have been the disconfirmation paradigm where the primary focus has been on individual consumer and her reaction to a service delivery event. Folkes (1995) observes that service quality has been modelled as a process in which consumer compare services attributes (i.e.

performance versus expectations). He asserts that as attribute performance increase relative to excellence, the perception of overall service quality (outcome) increase.

Cronin and Taylor (1992) observes that most applied researchers treat service quality and customer satisfaction as though they were interchangeable concepts Zeithaml and Berry (1994) supports the above view by observing that the term 'quality' and 'satisfaction' are confusing because currently there is no generally accepted definition of them. Cronin and Taylor (op-cit) observes that perceived quality is a rational perception whereas satisfaction is an emotional or feeling reactions. Satisfaction comes from a Latin word *satisfaction* (enough) and *Facere* (to do or make) which means fulfillment i.e. solving problem. This definition according to Westbrook et al (1978) is not adequate to capture service quality since satisfying customers is not enough for firms which are customer focused, but they should move beyond that and delight their customers by trying to match their service offerings to their expectations. Westbrook et al (1978) observes that although satisfaction is an affective summary, it can be influenced by cognitions.

Zeithaml and Berry (1994), avers that service quality contributes to ones satisfaction with a particular service experience and depending on the level of satisfaction, quality image is revised. They asserts that precision production (service) processes may be necessary to deliver consistently high quality but if customers do not notice, or if they are really concerned about other aspects of the service, the high precision does not guarantee the customers will consider the quality high Folkes (1995) proposes that consumers form

expectations that lead to predictions about service quality, subsequently influencing the overall evaluation of services. For the purpose of understanding customers' opinions, of services an organization is offering the organization ostensibly need to measure Customers' perceptions of either quality or satisfaction.

2.8 Important factors in service quality

2.8.1 Monitoring service quality

Firms are increasingly engaged in evaluation of service quality. Roland and Zahorik (1993) observes that one way that organizations can use is through mystery shopping where a firm hire individuals to pose as customers of the firm without the employees knowledge and to rate the services received. The firm may also use the same on competitors to experience the service first hand in-order to get complaints and comments from their customers. Studies carried out have supported empirical link between customers satisfaction--- customer loyalty--- Retention rate---market share---profits (Fornell and Wernerfelt 1987; Rust and Zahorik 1993), yet to the contrary ,other studies have shown that satisfaction does not necessarily lead to loyalty and customer retention (Reichheld (1993),and satisfied customers will engage in switching (Bitner 1990 ;Keaveney 1995) and complaining behaviour (Halstead and Page 1992). Keng and Ehrenberg(1984) found that most customers of a given chain tends to buy the product elsewhere(few are 100% loyal) and asserts that individuals differs in their stores choice preferences and habits but there is not enough evidence to show that any subject of chains appeal exclusively or even more heavily to a particular segment since all store groups show much the same patterns.

2.82 Influence

Flynn and Goldsmith (1996), in their study found that consumers influences other consumers in several ways. One, they act as role models who inspire imitation among those who observe their purchase and consumption behavior. Two they spread information via word of mouth, and finally they influence each other by giving advice, and verbal direction for search, purchase and use. Analogously consumers are influenced by other consumption behaviour they admire, gather information from other consumers, and also seek advice from others who have greater knowledge and experience. This concurs with Martin and Pranter (1989) findings, that customers to customer interactions can influence perceptions of the service experience. This requires managers to be sensitive to their customers by trying to match their perceptions with theirs in-order to deliver services that will meet their expectations .

Berry and Parasuraman (1991) argues that firms should increasingly aim at delivering high quality service inorder to stimulate positive word of mouth by current customers, inorder to have a higher perceived value in customers' mind, and to give more credibility further improving the firm's reputation.

2.9 Service quality in Retail stores

Studies conducted on retail service quality mainly have concentrated on two levels i.e. integrated and attribute level. At the attribute level , research have concentrated on looking at various aspects or attributes which the customers uses as cues for evaluation. At the integrated level, studies have concentrated on pre-purchase experiences to post - purchase experience.

In the retailing setting, a retail experience usually involves more than a non-retail service experience in terms of customers negotiating their way through the store, finding the merchandise they want, interacting with several store personnel along the way and returning the merchandise all of which influences customers evaluation of service quality.

Westbrook (1981) suggests that there are usually two broad based categories of retail – related experiences which are considered important to the customers and which greatly influence them in evaluating service quality in a retail setting. These experiences include in-store experience and the experience related to the merchandise.

2.91 Physical facilities

According to Fifield (1993), physical aspects of the service product may not have intrinsic worth in themselves but they are essential to the delivery of the service product and are used to create the ‘environment’ or ‘atmosphere’ which help to shape customer perceptions. Retail literature studies shows that physical aspects include appearance of the physical facilities and encompasses the convenience offered to the customers by the layout of the physical facilities. Studies suggests that store appearance is important to retail customers (e.g. Baker et al 1994), The dimension includes cleanliness of the store, the general appearance of the stores among others.

Customers also value the convenience of the shopping that physical aspects such as store layout, offer them (Hummel and Savitt 1988; Mazursky and Jacoby 1985; Oliver 1981). The store layout helps the customers to locate the merchandise easily due to good

arrangement, thus reducing time spent in the supermarket. The customers can also be able to push their trolleys and shopping baskets due to large and roomy aisles in between the racks of merchandise, thus forming favourable perceptions of the service quality.

2.92 Reliability

One of the most important criteria that customers' use to evaluate service quality, is the availability of merchandise Westbrook (1981) . Dabholkar et al (1996) depth interviews showed that customers took availability of merchandise as reflecting the dependability of the store. By stocking all the merchandise that customers would wish to purchase from the supermarket, service providers may be viewed to be dependable by the customers for the customers will be sure of finding the merchandise they want at the store.

Dabholkar et al (1996) also underscores the importance of offering quick and prompt service. This may involve use of modern scanning machines in-order to reduce queues.

2.93 Employees

According to Nemeroff (1990), all the company employees need to have hands on understanding of customer needs and desires. He asserts that quality is ultimately in the hands of the employees who perform the service, and need to experience the service from the point of view of the customers Baker, et al (1994) observes that employees need to be helpful, warm and courteous with customers. Studies conducted (e.g. Rosebluth and Peters 1992) found that any organization that is committed to customer satisfaction had to have satisfied internal customers. This is through better measurement or reward systems

which are instrumental in shaping the behaviour of employees (Anderson 1985) and through training of employees in-order to respond to service quality needs, instead of interpreting the company's operating procedures Okatch (1993).

2.94 Problem solving

(a) customer complaints

Nemeroff (1990) observes that, every business should aim at "problem prevention not problem resolution", which he regards as super-Ordinate to quality objective. Plymire (1991) however observes succinctly that ***"The fastest way to develop a customer focused culture is by generating complaints. If employees can facilitate the expression of complaints, 94 per cent of customers will air their issues instead of just 4 per cent. Instead of voting with their feet, customers will stand and counted"***.

This observation is in tandem with Westbrook (1981) who found that customers were quite sensitive to how service providers attend to problems and complaints therefore the service providers need to manage and be responsiveness to voiced complaints as perceived by their consumers. According to Zemke and Schaaf (1989), this requires developing a customer focus within the firm not just lip service, advertising or developing a complaint handling policy in-order to give them credibility good word of mouth and further improving the firm's reputation.

It has been noted that, ease of returning and exchanging merchandise is very important to retail customers Westbrook (1981) and Mazursky and Jacoby (1985). This was supported by phenomenological interviews that were done by Dabholkar et al (1996)

2.95 Others

Retail stores usually have several aspects ,which, may be unique to them, which encompasses certain operation procedures which in them captures aspects of service quality. Some of these indicates the store responsiveness towards the needs of customers. Literature studies search indicates that convenient opening hours are very important to customers' perceptions of service quality. According to Oliver (1981), parking space availability is also important in evaluation of service quality.

The literature is replete with empirical and anecdotal research on service quality as perceived by customers. This may be attributed with the fact that customers have increasingly become the focal point in the chain of service delivery ,but it is known in the dyadic relationship both the service providers and the customers perceptions need to be incorporated in any service quality policies, inorder to narrow the gap between the gap of performance and expectations.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

Population

The populations of interest for this study comprised of all those who deal in or affected by the supermarket industry in Nairobi.

These included:

- All supermarkets in Nairobi i.e. service providers
- All customers who do their purchasing in supermarkets.

There is no comprehensive list of all supermarkets in Nairobi but a list of supermarkets obtained from Nairobi City Council which was updated with a list from Brookside Dairy limited yielded a total of 191 supermarkets.

3.3. SAMPLING

3.3.1. The sample units:

- The population was further defined to aid in provision of sampling frame using the sales volume from Brookside Dairy limited per month. Supermarkets were subdivided as follow:
- The first 20 in the list were classified as large supermarkets.
- The next 70 were classified as medium sized supermarkets
- The last 101 were classified as small sized supermarket

The other studies Karemu (1993), Lagat (1995) also adopted the same method of classification.

For the customer, the population was categorized as:

- Children
- Adults

3.32 Sample size

For the supermarkets, from 20 supermarkets classified as large, 5 of them were picked randomly, out of the 70 categorized as medium sized, a random sample of 20 was picked and from the last category of 101 supermarkets categorized as small sized, a random sample of 20 was picked. The total sample was 50 supermarkets which was deemed adequate for purpose of data analysis and generalization.

For the customers a sample of 215 of respondents were picked using judgmental sampling. Respondents were selected for each of the three categories of supermarkets. For each of the supermarkets classified as large that were randomly picked, eight customer respondents were picked, five respondents were picked for each randomly selected supermarket classified as medium sized and 3 respondents were picked for each picked supermarket classified as small sized. The total customers who composed the sample were 215. A rule of thumb was used where every fourth adult customer entering the supermarket was asked to complete the questionnaire and those willing to do so, were given the questionnaire for self-administration. Those who had not shopped previously at that particular supermarket were excluded from the sample.

3.4 The Research Instrument

The data sought for the study was gathered through administration of questionnaires to both service providers (owners or managers) and customers. For the service providers, a 'drop' and 'pick' method was used. Only managers or supervisors who had worked for more than one year at the supermarkets or the owners filled the questionnaire. For the customers, self-administered questionnaires were used.

The customers questionnaire was administered just prior to the respondents shopping experience so that responses reflect evaluations of previous shopping experiences in order to avoid according to Rust and Oliver (1984), instances where interviewing after a shopping experience may closely reflect satisfaction rather than service quality. The questionnaires were administered with the help of two research assistants who are undergraduate students at the faculty of commerce, University of Nairobi. The questionnaires were both structured and unstructured and contained two parts, A and B. Part A in both questionnaires contained open-ended and closed-ended questions while part B had Likert – type of matrix questions.

3.5 Data Analysis

The study was modelled on description and therefore descriptive statistics was used in part A of both questionnaires. Percentages, frequencies and proportions were used.

In part B descriptive statistics such as mean, standard deviation was used for comparison purposes. Respondents were asked about their opinions and attitudes on *I = Not at all*

important to 5=Very important likert scale, Inorder to determine their perceptions of certain service quality variables. Indexes are calculated in-order to establish whether majority of the respondents were of the perceptions that the various aspects of service quality were important or not.Indexes were calculated for both category groups

Table 4.1: Number of respondents

Respondent	Targeted respondents	Actual respondents	% of targeted
Government	50	54	108%
Private	250	280	112%

From the table above the response rate of service providers (Government and private) were 108% (54/50) and 112% (280/250) respectively which the researcher deemed adequate and sufficient for the study for the purpose of this analysis. They compare favourably with the results of other 100% response rate of Kariuki (2012) and 97% in Lugani (2013).

4.2 ANALYSIS OF SERVICE PROVIDERS

4.2.1 In terms of year of establishment

Table 4.2: Year of establishment

Year	Number	% of respondents
1985 - 1990	4	1%
1991 - 1995	8	3%
1996 - 1998	12	5%
1999 - 2000	15	6%
2001 - 2005	21	9%

Source: Researcher (2012)

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Data Editing and Coding

The questionnaires were edited and coded after they were filled in. All the questionnaires for both respondents category were usable for data analysis

Table 4.1a Number of respondents

Respondents	Targeted respondents	Actual respondents	% response rate
Supermarkets	50	34	68%
Customers	215	180	84%

Source: Research data

From the table above the response rate of service providers (supermarkets) and customers were 34 (68%) and 180 (84%) respectively which the researcher deemed adequate and sufficient for the study for the purpose of data analysis .They compare favourably with other studies such as 55% response rate by Karemu (1993), and 62% by Lagat(1995).

4.2 ANALYSIS OF SERVICE PROVIDERS

4.2(a) In terms of year of establishment

Table 4.2 (i) Year of establishment

Year	Number	% response rate
1960 – 1970	4	6
1971 – 1980	5	18
1981 – 1990	12	35
1991 – to date	<u>14</u>	<u>41</u>
	<u>34</u>	<u>100%</u>

Source: Research data

From table 4.2(I) above it can be concluded that most of the supermarkets were established during or after 1980s. This means that most of the supermarket, that participated in the study are relatively young. Majority of the supermarkets represented by (41%) were established in the 1990s'.This can be attributed to the liberalization of the economy during this time which allowed investors to invest in businesses that were earlier restricted .The other reason may be due to lucrativeness of the business thus attracting many investors who are keen on maximising their wealth.

4.2 (b) In terms of trading space

Table 4.2 (ii) The trading space of the supermarkets.

Space in sq.feet.	No.	%response rate
1000 and less	1	3
1001 – 2000	7	20
3001 – 4000	8	23
4001 – 5000	1	3
5001 – 6000	3	9
6001 – 7000	2	6
7001 – 8000	3	9
8001 – 9000	4	12
9001 – 10,000	2	6
10,000 and above	<u>3</u>	<u>9</u>
	<u>34</u>	<u>100%</u>

Source Research Data

The results above indicates that majority 26 (76%) of the supermarkets have a trading space above 2,000 square feet, while only 8 supermarkets have a trading space of 2000 square feet or less. Accordingly by considering the definition of a supermarket by

Philpott (1963) as a store with at least 2000 square feet, 26 of respondents can be regarded as supermarkets while the other 8 can be regarded as mini-supermarkets. However since this study is on service quality perceptions, they were included in the analysis of the study.

4.2 (c) Distribution in terms of number of employees

The study indicated that most of sampled supermarkets have less than 50 employees while 11 have more than 50 employees. Going by Lagat (1995) definition, most supermarkets that participated in the study falls under the small and medium supermarkets.

4.2 (d). Ownership of the supermarkets.

Table 4.2 (iii) Distribution in terms of ownership

	No	%response rate
Foreign	0	0%
Local	33	97%
Joint	1	3%
Total	34	100

Source: Research Data

The results on ownership indicates that, of the supermarkets who participated in the study 33 (97%) were locally owned while 1 (3%) is jointly owned. Local investors and South African subsidiary that holds the Franchise in Kenya jointly own the supermarket.

4.2(e) Understanding of service quality

The question elicited various responses which among them included:-

- Availability of all types of merchandise

- Quick and prompt services to cut on queueing and waiting time.
- Understanding employees
- Enough room for customers to move freely
- Good display of merchandise
- Convenient opening hours

Other responses that were not frequently mentioned includes:

- providing parking to customers
- customers complaints handling and solving
- lower prices.

4.2 (f) In terms of objectives of the supermarket

Table 4.2 (iv) Objectives of the supermarkets

Objective	1	2	3	4	5	Total
Profitability	34	-	-	-	-	34
Social responsibility	-	-	1	14	19	34
Customer service	-	10	21	3	-	34
Employers welfare	-	-	2	17	15	34
Growth	-	24	10	-	-	34
Total	34	34	34	34	34	

Source: Research data

The table 4.2 (iv) above shows that all 34 supermarkets have their first objective as profitability. Of the 34 supermarkets ,24 (71%) indicated that growth is their second objective, 10 (30%) indicated customer service as their second objective. Customer service was mentioned as the third objective by 21 (62%) of the service providers.. It

can therefore be concluded that the objectives of majority of the supermarkets are arranged in order of importance as:

- Profitability
- Growth
- Customers service
- Employer welfare
- Social responsibility

4.2 (g) Most important aspects of service quality

Table 4.2 (v) Frequency of service quality aspects

Aspect of service quality	No.of respondents	% response rate
Availability of merchandise	32	94%
Prompt service	32	94
Willingness to help customers	23	68
Courtesy of employees	27	79
Employee knowledge of products	17	50
Complaints handling	18	53
Physical facilities	27	79
Employee appearance	25	74
Convenient opening hours	27	79

Source.Research data.

From the table 4.2(v) above, it can be concluded that majority of the service providers regards availability of merchandise, prompt service, courtesy of employees, physical facilities as the important aspects of service quality. Average number of service providers considers complaints handling and employee knowledge of products as important.

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- Social responsibility

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Employee appearance	25	74
Convenient opening hours	27	79

Source.Research data.

From the table 4.2(v) above, it can be concluded that majority of the service providers regards availability of merchandise, prompt service, courtesy of employees, physical facilities as the important aspects of service quality. Average number of service providers considers complaints handling and employee knowledge of products as important.

4.2 (h) Monitoring of service quality performance:

Out of the 34 service providers, 24 indicated that they monitors services quality performance as shown below:

Table 4.2 (iv) Methods used for monitoring service quality performance

Method used	No.of respondents	% response rate
Customer research	2	8
Complaints analysis	9	38
Competitive benchmarking	13	54
Total	24	100%

Source: Research Data.

Of the 24 who responded that they monitor service quality performance, majority (54%) indicated the most favorable method of monitoring that they use, is competitor benchmarking while the least used method mentioned is research. Complaints analysis was mentioned as moderately important.

4.2 (i) Monitoring of competitors offerings

Of the 34 service providers, 20 (59%) indicated that they monitors competitor offerings while 14 (12%) indicated that they do not. Out of 20 who monitor customer offerings, 26 (80%) uses ghost shoppers (mystery shoppers), while 4 (12%) indicated that they ask customers who buys from other supermarkets, what in their views was better in the other supermarkets they shopped from. Those who do not monitor customer offerings cited that

it is unethical while others indicated it is not necessary for them since they strive to offer their customers quality service continuously.

4.1 ANALYSIS FOR CUSTOMERS

4.2 (a) The number of the times customers purchase per month

Table 4.3 (i) Number of items of purchase per month

No. of times	No. of customers	% response
Once	28	16
Twice	75	41
Thrice	56	31
Four times	20	11
Five times	2	1
Total	180	100

Source: Research Data

The study revealed that a sizeable number of customers do their shopping twice a month, followed by those who buy thrice a month.

4.3 (b)Duration of purchasing from the supermarket

Majority of customers respondents 104 (57%) indicated that they had purchased from the supermarket for more than one year, while 46 (25%) and 32 (18%) indicated they had purchased for a period of seven to one year and once to 7 months respectively. Therefore it can be concluded that most customers had adequate experience with the supermarkets thus were able to evaluate service quality instead of satisfaction.

4.3 (c) Shopping in other supermarkets

The study established that majority of the respondents 156 (87%) buy from other supermarkets while only 24 (13%) buy from the same supermarket. This concurs with Kay and Ehrenberg (1984) assertion that customers of a given chain also buy the products elsewhere since few customers are 100% loyal.

4.3 (d) Reason for shopping in other supermarkets

The respondents gave various reasons why they purchase from other supermarkets.

These included:

- Convenience of location
- To take advantage of a sales offer (deal proneness)
- Cheaper merchandise

Those who only did their shopping in one supermarket gave reason such as

- Quick and prompt services
- Helpful and courteous employees
- Get all what they need in the supermarket

4.4 e) Understanding of service quality

The question elicited various divergent responses of which the most mentioned included:-

- Availability of products
- Being served at the shortest time

- Good customer attention
- Good display of merchandise
- Easiness in location of merchandise needed
- Prompt responses by employees to queries
- Friendly employees.
- Convenient opening hours
- Prices of merchandise

4.4 (f) In terms of service quality aspects

Table 4.3 (ii) Importance of service quality variables in choice of supermarket

Service quality variables	Number of respondents	% response
Availability of merchandise	152	84
Prompt service	144	80
Willingness to help customers	140	78
Courtesy of employees	136	76
Employees knowledge of products	76	42
Complaints handling	140	78
Physical facilities	128	71
Employees appearance	52	29
Convenient opening hours	145	81

Source.Research data.

From the table 4.3(ii) above,its evident that majority of the customers uses various aspects of service quality to choose the supermarket to purchase their merchandise from. Most of the service quality dimensions registered more than 70% responses from the respondents ,which shows that customers do not just purchase from any supermarket ,but they as well rate the service quality offered in their choice of supermarket. Employees'

appearance only registered 52 (29%) as an important factor in the choice of a supermarket. Other factors mentioned included while employees knowledge of products is considered by below average number of respondents.

Other factors that were mentioned includes:

- Easy accessibility
- Nearness to the bus stage
- Good display of products
- The location of the supermarkets
- Prices

4.3 (f) Evaluation of service quality variables in the supermarkets.

The study established that of all respondents, 145 (81%) evaluates the service quality variables in the supermarkets while 35 (19%) indicates they do not. Of the respondents who affirmed that they evaluates the service quality variables, 105 (72%) indicated that they do so through shopping from other supermarkets, while 32 (22%) indicated that they ask friends. The remaining respondents 8 (7%) indicated that they are indifferent.

4.4 Comparison of the perceptions of the service providers and the customers.

Summary statistics was used to analyze data on part B of the questionnaires, in-order to summarize the data on the factors perceived to be of significance in service quality. This part of the questionnaire had 21 variables for the two categories of respondents. The sample of the questionnaires are attached in appendix II.

The most important factor for the likert-scale questions was in such a way that 5 represented *very important* while 1 represented *not at all important*. The results are shown in table 4.4(i) below:

Table 4.4 (i) Means and Standard Deviation for both service providers and customers

<i>Var</i>	<i>Mean</i>	<i>STD Deviation</i>	<i>Mean</i>	<i>STD Deviation</i>
1	3.93	0.61	4.79	0.41
2	4.33	0.73	4.18	0.63
3	4.82	0.52	4.76	0.46
4	4.26	0.70	4.71	0.56
5	4.51	0.60	4.09	0.35
6	2.03	0.94	2.88	1.07
7	3.83	1.03	4.31	0.49
8	3.55	1.09	2.82	0.90
9	3.72	1.00	3.82	0.39
10	3.72	0.81	4.03	0.30
11	2.67	1.27	3.68	0.47
12	3.99	0.85	4.18	0.72
13	3.81	1.11	3.15	0.78
14	4.38	0.64	3.74	0.71
15	4.41	0.80	4.56	0.66
16	4.01	0.77	3.41	0.82
17	3.12	1.19	3.15	1.26
18	4.09	0.88	4.09	0.71
19	4.11	0.87	2.68	1.22
20	3.70	1.10	2.21	0.84
21	3.69	1.06	4.03	0.46

Means score: Ranked on a 5 point - Likert
 Scale with 1 = *Not at all important* and 5 = *very important*
 Source: Research Data

From the table 4.4 (i) above, service providers perceives physical facilities as the most important aspect of service quality mean score (4.79) followed by availability of all types of merchandise (mean 4.71). They also perceives providing service right the first time (mean 4.56) as a relatively important factor in their judgement of service quality in the supermarkets. The customers on their part perceives availability of all types of merchandise as the most important dimension of service quality, followed by enough space for customers to move freely (mean 4.51).

Other factors perceived fairly important by service providers are review of product range regularly (mean 4.44), convenient opening hours for the customers (mean 4.35), use of modern scanning machines to give prompt services (mean 4.18) and employees being courteous and warm with customers (mean 4.18). Customers on the other hand perceives provision of service right the first time (mean 4.41), employees showing sincere interest in solving customer problems (mean 4.38), use of modern scanning machines to give prompt services (mean 4.33) and review of product range regularly (mean 4.26) as fairly important.

The results also indicates that there is concurrence between service providers and customers perceptions that provision and availability of parking space (mean of 2.03 and 2.88 respectively) is not an important consideration of service quality.

The standard deviations do not show major variations between the perceptions of both category samples as shown by the responses of the service providers and customers.

(neutral point) was ignored. The results were shown in table 4.4 (ii) below:

Table 4.4 (ii) INDEX FOR SERVICE PROVIDERS AND CUSTOMERS

Var	VI		I		SNI		NI		NAI		INDICES	
	S	C	S	C	S	C	S	C	S	C	S	C
1	79	6	21	89	-	1	-	3	-	2	100	90
2	29	46	59	44	12	4	-	4	-	2	88	84
3	71	88	29	6	-	6	-	-	-	-	100	94
4	47	38	50	52	3	7	-	3	-	-	97	87
5	12	56	85	38	32	6	-	-	-	-	97	94
6	-	2	35	2	-	29	18	31	15	36	2	-63
7	35	24	65	49	35	16	-	4	-	6	100	63
8	-	25	26	22	18	42	32	6	6	6	-12	35
9	-	21	82	45	-	22	-	8	-	3	82	55
10	6	12	91	58	32	21	-	9	3	1	94	60
11	-	3	68	32	18	19	-	18	-	27	68	10
12	35	32	47	38	38	26	-	3	-	-	82	67
13	-	31	38	35	15	23	24	6	-	6	14	54
14	6	46	71	46	-	8	9	-	-	-	68	92
15	62	58	35	26	35	13	3	2	-	-	94	82
16	6	28	44	46	24	24	15	2	-	-	35	72
17	15	10	29	34	21	27	21	16	12	13	11	15
18	29	32	50	56	24	1	-	11	-	-	79	77
19	6	40	24	34	47	23	26	2	21	1	-17	71
20	-	18	-	54	9	17	26	-	27	11	-53	61
21	12	21	79	44		26	-	1	-	8	91	56

Key:

Var – Variable
VI - Very Important
I - Important
SNI - Somewhat Not Important
NI - Not important
NAI - Not at All Important
Source: Research data.

S - Supermarket
C - Customers

From the table 4.4 (ii) above, it is observed that the service providers perceives physical facilities, availability of all types of merchandise, and convenient opening hours, (All have indexes of 100 respectively) as the most important variables of service quality in the supermarkets. The customers perceives availability of all types of merchandise, enough space to move freely as of paramount important in the provision of service quality in the supermarkets (with indexes of 94 respectively).

Other variables perceived important by service providers includes regular review of product range, enough space to enable customers move freely within the supermarket and the strive to provide a service right the first time. The customers on their part perceives physical facilities appeal, employees sincere show on interest in solving customers problems and regularly reviewing of the product range offered, as a true representation of service quality in the supermarket.

The service providers responded in the affirmative that they do not perceive employees making decisions on their discretion without consulting supervisors as an important variable of service quality. Also the service providers do not perceive the provision of different offerings suitable to each customer group as important in evaluation of service quality.

The customers perceives provision of different service offerings suitable to each customer groups, and the employees having discretion in making decisions concerning

customer problems (with indexes of 71 and 61 respectively) as relatively important aspects of service quality in the supermarkets..

The table above also shows that parking availability for both the service providers and customers do not form an important criteria of perceptions of service quality in the supermarkets (with indexes of 2 and -63 respectively).

The results also indicates that service providers do not perceives employees being courteous and warm with customers, as important (index -12), while the customers (67%) considered it as an important variable they perceive as important of service quality in supermarkets.

The majority of indexes for customers range from 55 and above which shows that most customers perceptions of service quality are high.

CHAPTER FIVE

5.0 DISCUSSIONS, SUMMARY AND CONCLUSION

5.1 Introduction

In an industry that has seen a momentous growth in the economy especially after 1980s', more intensifying competition and where customer loyalty is not guaranteed, supermarkets have been forced to develop other service offerings apart from the variety of merchandise they offer, in-order to maintain a continuous stream of customers. Supermarkets are low margin, multi products sellers who, to gain higher returns, have to ensure that they have many customers who buy from their stores.

Service quality has therefore become a necessary 'evil' in order to appeal to customer to encourage Patronage and repeat purchases.

5.2 Discussions and Summary

From the analysis it was apparent that most of the supermarkets that were surveyed are very young having been set after 1980. This concurs with other studies (Karemu 1993, Lagat 1995 and Munyoki 1997). This shows that supermarkets in Kenya are a recent phenomenon and come up as an antithesis of self selection stores which were forerunners of supermarkets in Kenya that were prevalent in 1970s.

The study also established that most supermarkets are locally owned (by Kenyans). Of all the supermarkets surveyed, 97% are locally owned. Although it was not captured by the responses, most of supermarkets surveyed are owned by Kenyans of Asian extraction.

This shows that the situation has not changed much from time Karemu (1993) conducted her study. The researcher observed that, Kenyans of African extraction are making inroads in the lucrative business of supermarkets. Notable supermarkets which have come up includes, Magic superstores, Naivamatt, Rikana, Fairlane, Mesora, Starehe, among others, which are owned by Africans and are doing well in the business.

From oral interviews with supermarket owners, it was established that the competition has increased especially from other retailers who sell their merchandise on the streets , which appeal to customers who are in a hurry or who buys few items. This is especially observable in roundabouts and street lights junctions of Nairobi. For example the junction on Mombasa Road and Uhuru avenue and the roundabout of Uhuru Highway and University way.

On the subject of the understanding of service quality, the study established there was a concurrence of what customers and the service providers considered to be service quality. Although there was no clear-cut definition, there were consensus that availability of merchandise, quick and prompt service, good display of merchandise, friendly employees, and convenient opening hours are perceived as dimensions that constitutes service quality. Other definitions given includes, providing fast and quick service at the pay point i.e. check-outs in-order to reduce the time that customers stay in the queues The responses given as the study established, showed although majority of service providers did not understand the concept of service quality fully. they know what it entails. This

supports the general consensus by researchers that service quality does not have any specific definition and it depends with the industry under consideration.

The study also established that the service providers and customers considers availability of merchandise as one of the most important factor of service quality and it is one of the factors that consumers consider in their choice of a supermarket. There is also a consensus by service providers and customers that prompt service is perceived as important component of service quality.

The study revealed that just like other industries, Supermarkets have profitability as their overriding objective. This was supported by the results in table 4.2 (iv) which, indicates that all supermarkets indicated that they were in the business to make profits, while majority indicated growth as the second most important objectives. This is comparable to other studies findings that the major reason why firms operate is the profit maximization motive followed by the drive to grow in size .

The study also revealed that most supermarkets rarely use customer research in their quest of monitoring service quality performance, despite their indication that they monitor service quality. The supermarkets as the study findings show ,usually benchmark their competitors by monitoring on what they are doing and then copy or modify what they are doing and implement it in their supermarkets.

This can be corroborated by findings that majority of supermarkets monitor what their competitors are offering their customers through either mystery shopping, which according to responses was very popular (80%). The study also established that majority of the supermarkets 97% do not conduct any consumer research to establish the changes of preferences, and needs of the customers, but only monitor their competitors offerings.

The study revealed that majority of customers shop twice a month in the supermarket. From oral interviews conducted, it was established that they shop in the middle of the month and at the end of the month. This can be attributed to the fact that most workers usually get advances at the middle of the month and are paid at the end of the month . They buy most of their requirements to last for at least half of the month. This contradicts to Munyoki (1997) assertion that majority of Nairobians shop from supermarkets once a month, which is at the end of the month.

Most supermarkets buyers in Nairobi as the study found out, are not loyal and majority of them (87%) buy their products in other supermarkets. This as the respondents showed is as a result of not any one factor but due to a combination of factors among them convenience of the store nearness to their bust stages, to take advantage of cheaper merchandise in other supermarkets or to benefit from a sales promotion offered by other supermarkets. This concurs with a study a study by Keng and Enrenberg (1984) that most supermarket customers are not 100% loyal.

On the set objective of the study it can be concluded that service providers and to a large extent perceives service quality differently as compared with the customers. The service providers usually perceives functional dimensions and the availability of the merchandise as important while the customers on top of availability of merchandise, also perceives the human dimensions (for example courteous and helpful employees) as important dimensions of service quality. The study reveals that there is a consensus between the service providers and customers that availability of merchandise and physical facilities including layout of the supermarket are important factors of service quality. This is can be partly be explained by the fact that supermarket usually are low margins stores which rely on stocking all types of merchandise in-order to make profit. Thus they make sure they stock all kinds of merchandise to lure customers, and by improving their premises by good decorations, music, good layout of shelves and racks and good arrangement of merchandise, they are able to appeal to customers. The customers take advantage of shopping for most their requirements offering convenience. These findings concurs with studies by (Baker et al 1994, Hummel and Savitt 1988; Oliver 1981, Westbrook 1981) which also found that availability of merchandise and physical facilities are important in forming perceptions of service quality.

In this study, it has also been established that service providers offers the same services to all customer groups although customers indicates that they perceive provision of different offerings to different customer group as a factor of service quality. The findings can be explained by the fact that majority of the customers are not loyal as the study revealed (87%). This may be the reason why the supermarkets do not invest in maintaining long-

term relationships with their customers as the case with other industries such as motor vehicle sellers where they usually offer after-sale services. The findings that customers perceives provision of different service offerings to each customers' group compares favorably with findings by Dabolkar et al (1996) that provision of different offerings to customers are important to the perceptions of service quality in the retail stores.

The study found that parking is not important in forming perceptions about service quality for both service providers and customers. This contradicts Oliver (1981) study which established that parking is an important factor in formation of perception of service quality in supermarkets. These findings may be partly explained by the fact that majority of supermarket customers in Nairobi do not own vehicles but rely on public means (commonly referred to as matatus).

The study found that the perceptions of service providers are different from perceptions of customers in areas that concerns human interaction and problem solving. Majority of service providers do not perceive complaints handling, employees being helpful warm and courteous with customers, giving individualized attention to customers as important. The results as shown in table 4.4(ii) shows that the indices explaining the perceptions of these dimensions for the service providers are low as compared to those of the customers. This shows that supermarkets do not consider the interaction between their employees and problem solving as worthy investing or emphasis in. This means that service providers mainly put more emphasis on making merchandise available, and others, which they consider as enough to lure customers into their supermarkets. This may be the

reason why majority of the customers are not loyal hence buying in other supermarkets. The customers on the other hand perceives them as important which compares favorably with other studies such as Nemeroff(1990) and Westbrook(1981)

From observations, most supermarkets do not have a strong complaints channel in place and they do not readily acts on complaints by customers especially on faulty goods which the supermarkets do not agree to accept back or change. The customers perceive a strong complaints channel as important in evaluation of service quality .

The study also established that most supermarkets do not have a defined customers category which explains why supermarkets do not perceive the development of service offerings suitable to each customer group (mean 2.65) as important service quality factor. This can be explained by the fact that supermarkets are low margin stores which are set on the basis of attracting many customers and therefore generally offer merchandise that appeals to all income groups.

From the study it was also found that supermarkets do not perceive liasing with customers as important. The supermarkets do not pay a lot of attention to customers complaints. Most supermarkets do not have established channels of consumer complaints and they do not allow return of merchandise or products which do not meet customer expectations.

5.3 Recommendations

From the findings, it is clear majority of supermarkets do not target any given categories of customers. The supermarkets need to target their service offerings to different customers through developing suitable service offerings to different customer's categories based on income, age, level of education and other relevant bases of segmentation in-order to encourage customer loyalty which will lead to long term mutual and profitable relationships.

It is also recommended that, supermarkets should also try to improve their complaints handling channels, since as it is now, the supermarkets do not handle and act on complaints. The supermarket should introduce customer service desks within their stores to handle customers' problems and queries. This would send signals to the customers that the supermarkets care for them which would create favorable perceptions in the mind of the customers resulting in consistent repeat purchases.

The supermarkets should also put emphasis on customers research in order to establish the needs and preferences of their customers which will aid them in improving their service offerings so that they can match customers expectations.

The supermarkets should also emphasize on their employees being more responsive to customers' queries.

5.4 Limitations of the study

The result of this study should be interpreted in the context of a number of study limitations:

1. The study did not consider a number of factors which may influence perceptions, among them, income, level of education and other variables than can be used to segment customers.
2. The small sample size of the supermarkets (34) as compared to the sample of customers (180) could have limited confidence in the results and this might limit generalizations to other industries and situations.
3. The study relied on judgements of both customers and service providers perceptions of service quality which are subjective to various cognitive biases which might have had an effect on the results.
4. The analysis of supermarkets (service providers) was done devoid of any consideration of classification criteria such as location, size, number of employees among others, and the conclusions drawn therefore may not necessarily reflect a true and fair reflection of all supermarkets.
5. The data was collected at one point in time which could have biased the results. Possibly data could have been more helpful if it was collected at two points in time and then compared to be able to have more actionable and objective information to make conclusions and generalizations.

5.5 Suggestions for future research

This study aim was to compare the perceptions of both service providers and customers perceptions and opinions of service quality in supermarkets in Nairobi.

The researcher suggest that a future research could be done which concentrates on classifying customers in terms of their age , income, level of education and also classifying of service providers in terms of location, size ,and any other objective measure in-order to establish if there exists any significance difference.

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Telephone: 011 234 461 1111
Telex: 234 461 1111
Fax: 234 461 1111

5th July, 2000

Dear Sir/Madam

RE: REQUEST FOR RESEARCH DATA

I am a postgraduate student in the Faculty of Commerce University of Nairobi. I am pursuing a course leading to a masters degree in Business Administration (MBA). In partial fulfillment of the course, I am conducting a study Management Research Project on "A comparative study of service providers and consumer perceptions of service quality in Kenyan Market. A case of supermarkets in Nairobi".

Your expertise is one of those which is very rare to find. I therefore I request you to assist me by completing the attached questionnaire the sooner possible and to the best of your knowledge. The questionnaire is in two parts A and B. The information you give is needed purely for academic research purposes and will be kept as treated with strict confidence. It is so that you will not have to state your name in any of the final report.

A copy of the final report will be made available to you upon request. Your assistance and cooperation will be highly appreciated.

Yours faithfully
NGATHIA EDWARD MURIELA
MBA Candidate

MARTIN OKOTH, PHD
Lecturer, Department of
Business Administration
MBA Coordinator & Supervisor

Appendix 1(a).Request letter for data from service providers.



UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
MBA PROGRAM - LOWER KABETE CAMPUS

Telephone: 732160 Ext. 208
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

5th July, 2000

Dear Sir/Madam

RE: REQUEST FOR RESEARCH DATA

I am a postgraduate student in the Faculty of Commerce University of Nairobi. I am pursuing a course leading to a masters degree in Business Administration (MBA). In partial fulfillment of the course, I am conducting a study Management Research Project on *"A comparative study of service providers and consumer perceptions of service quality in Retailing Market. A case of supermarkets in Nairobi."*

Your supermarket is one of those selected to form part of the study. I therefore kindly request you to assist by completing the attached questionnaire the soonest possible and to the best of your knowledge. The questionnaire is in two parts A and B. The information you give is needed purely for academic research purposes and will therefore be treated with strict confidence. In no way will your name or that of your supermarket appear in the final report.

A copy of the final report will be made available to you upon request. Your assistance and co-operation will be highly appreciated.

Thank you.

NGATIA EDWARD MUNDIA
(MBA II Candidate)

MARTIN OGUTU, PHD
Lecturer, Department of
Business Administration,
MBA Co-ordinator & Supervisor

Appendix 1(b) Request letter for data from customers



UNIVERSITY OF NAIROBI
FACULTY OF COMMERCE
MBA PROGRAM - LOWER KABETE CAMPUS

Telephone: 732160 Ext. 208
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

5th July, 2000

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH DATA

I am a postgraduate student in the Faculty of Commerce University of Nairobi. I am pursuing a course leading to a Masters degree in Business Administration (MBA). In partial fulfillment of the course. I am conducting a Management Research Project on: *"A comparative study of service providers and consumer perceptions of service quality in Retailing Market. A case of supermarkets in Nairobi"*.

You are one of those selected to form part of the study. I therefore kindly request you to assist by completing the attached questionnaire the soonest possible and to the best of your knowledge. The questionnaire is in two parts A and B. The information you give is needed purely for academic research purposes and will therefore be treated with strict confidence. In no way will your name appear in the final report.

A copy of the final report will be made available to you upon request. Your assistance and co-operation will be highly appreciated.

Thank you.

NGATIA EDWARD MUNDIA
(MBA II Candidate)

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APPENDIX 2(a). QUESTIONNAIRE FOR SERVICE PROVIDERS

PART B

1. In which year was your supermarket established.....
2. The size of the supermarket.....
Trading space (in square feet).....
Number of employees.....
3. How would you classify your institution as to ownership
(tick as appropriate)
 - i) Foreign []
 - ii) Locally owned []
 - iii) Joint ownership []
4. What do you understand by service quality?.....
.....
.....
5. Do you have any objectives for your supermarket? (Rank them in-order of importance)
 - i) Profitability []
 - ii) Social responsibility []
 - iii) customer service []
 - iv) Employee welfare []
 - v) Growth []Others (specify)
.....

6. What are the most crucial aspects of service quality as they impact on your marketing activities. (Tick as appropriate).

- | | | |
|-------|---------------------------------|--------|
| i). | Availability of merchandise | [] |
| ii) | Prompt service | [] |
| iii) | Willingness to help customers | [] |
| iv) | Courtesy of employees | [] |
| v) | Employees knowledge of products | [] |
| vi) | Complaints handling | [] |
| vii) | Physical facilities | [] |
| viii) | Employees appearance | [] |
| ix) | Convenient opening hours | [] |

Others (specify).....

7. a) Is any attempt made to monitor your service quality performance on dimensions in question three above.

Yes [] No []

b) If yes which of the following do you use to monitor service quality performance.

- i) Customer research
- ii) Complaints analysis
- iii) Competitor benchmarking

8. a) Do you monitor competitor customer offerings

Yes [] No []

b) If yes which of the following do you carry out?

- i) Research
- ii) Ghost shoppers

Others specify

c) If No, why?.....

PART B

4. Please tick to indicate to the extent to which these statements are important to your supermarket as they relate to service quality.

	Very Important 5	Important 4	Somewhat Not important 3	Not important 2	Not at all important 1
1. physical facilities appealing	[]	[]	[]	[]	[]
2. Use of modern scanning machines to give prompt services	[]	[]	[]	[]	[]
3. The availability of all types of merchandise	[]	[]	[]	[]	[]
4. The review of product range regularly	[]	[]	[]	[]	[]
5. Enough pace for customers to move freely	[]	[]	[]	[]	[]
6 Availability of parking space for the customers	[]	[]	[]	[]	[]
7. convenient opening hours to the customers	[]	[]	[]	[]	[]
8. Frequency of contact to review customer needs.	[]	[]	[]	[]	[]
9. Employees having knowledge about the product/service.	[]	[]	[]	[]	[]
10. The employees are neat appealing.	[]	[]	[]	[]	[]
11. The supermarket employees are well trained	[]	[]	[]	[]	[]

12. The employees are courteous
and warm with customers [] [] [] [] []
13. The supermarket employees
giving individual attention
to customers [] [] [] [] []
14. In case of problems, employees
show sincere interest
in solving them for
customers. [] [] [] [] []
15. The supermarket performing
a service right the first
time [] [] [] [] []
16. Understanding
the specific needs of the
customers [] [] [] [] []
17. Liaising with customers after
purchase. [] [] [] [] []
18. A channel for customer
complaints. [] [] [] [] []
19. The supermarket has different
offerings suitable to each
customer group [] [] [] [] []
20. The supermarket allows
employees to make decisions
without consulting
supervisors regarding
customers problems. [] [] [] [] []
21. The employees work
as a team [] [] [] [] []

THANK YOU FOR YOUR COOPERATION.

APPENDIX2(b). QUESTIONNAIRE FOR CUSTOMERS

PART A:

1. How many times do you do your shopping in a supermarket in a month.
 - i) Once []
 - ii) Twice []
 - iii) Thrice []
 - iv) Four times []
 - v) Others (specify).....
2. How long have you bought from this supermarket.
 - i) One – 6 months []
 - ii) 7 months – 1 year []
 - iii) more than one year []
3. Do you do your shopping in other supermarkets apart from this one
Yes [] No []
 - b) if yes why? specify.....
.....
 - c) If no why? Specify.....
.....
.....
4. What do you understand by service quality
.....
.....
.....

PART B

6. What are the most important aspects of service quality you consider important in your choice of a supermarket outlet. Tick as appropriate.

- i) Availability of merchandise []
- ii) Prompt service []
- iii) Flexibility []
- iv) Willingness to help customers []
- v) Courtesy of employees []
- vi) Employees knowledge of products []
- vii) Complaints handling []
- viii) Physical facilities []
- viii) Employees appearance []

Others (specify).....

2 a) Do you make an attempt to evaluate the above in the supermarket outlets

Yes [] No []

b) If yes which of the following do you use to evaluate.

- i) Shopping from other outlets []
- ii) Asking friends []

Others (specify).....

3. Please indicate the extent to which you these statements are important in your evaluation of supermarkets service quality.

	Very Important	Important	Somewhat Not important	Not important	Not at all important
	5	4	3	2	1
1. Physical facilities of the supermarket are appealing.	[]	[]	[]	[]	[]
2. The supermarket use of modern scanning machines to give prompt services	[]	[]	[]	[]	[]

3. Availability of all types of merchandise in the supermarket [] [] [] [] []
4. The review product range regularly [] [] [] [] []
5. Enough and roomy space for customers in the supermarket to move freely [] [] [] [] []
6. Availability of parking space [] [] [] [] []
7. Convenient opening hours [] [] [] [] []
8. Frequency on contact to facilitate review of customers needs. [] [] [] [] []
9. Knowledge by employees about products [] [] [] [] []
10. Employees being neat appealing. [] [] [] [] []
11. Well trained employees [] [] [] [] []
12. Employees are courteous and warm with customers [] [] [] [] []
13. Individualized attention to customers [] [] [] [] []
14. Sincere interest in solving customer problems. [] [] [] [] []
15. Providing service right the first time. [] [] [] [] []
16. Understanding of specific needs of the customers [] [] [] [] []

17. The supermarket liaising
with customers after
purchase [] [] [] [] []
18. A channel for consumer
complaints. [] [] [] [] []
19. Different offerings suitable
to each customer group [] [] [] [] []
20. Employees discretion in
solving customer
problems [] [] [] [] []
21. All employees working
as a team [] [] [] [] []

THANK YOU ,FOR YOUR C O-OPERATION

Appendix 3(a) Table of means standard deviations and variances for service providers.

Descriptive Statistics

	N	Range	Mean	Std. Deviation	Variance
VAR1	34	1	4.79	.41	.168
VAR2	34	2	4.18	.63	.392
VAR3	34	1	4.71	.46	.214
VAR4	34	2	4.44	.56	.315
VAR5	34	2	4.09	.38	.143
VAR6	34	3	2.88	1.07	1.137
VAR7	34	1	4.35	.49	.235
VAR8	34	3	2.82	.90	.816
VAR9	34	1	3.82	.39	.150
VAR10	34	2	4.03	.30	9.002E-02
VAR11	34	1	3.68	.47	.225
VAR12	34	2	4.18	.72	.513
VAR13	34	2	3.15	.78	.614
VAR14	34	3	3.74	.71	.504
VAR15	34	3	4.56	.66	.436
VAR16	34	3	3.41	.82	.674
VAR17	34	4	3.15	1.26	1.584
VAR18	34	2	4.09	.71	.507
VAR19	34	4	2.68	1.22	1.498
VAR20	34	2	2.21	.84	.714
VAR21	34	2	4.03	.46	.211
Valid N (listwise)	34				

Appendix 3(b) Table of means standard deviations and variances for the customers.

VAR000			Std	
VAR000	N 18	Mean 4.3	Deviation .73	Variance .53
VAR000	18	4.8	.52	.27
VAR000	18	4.2	.70	.49
VAR000	18	4.5	.60	.36
VAR000	18	2.0	.94	.89
VAR000	18	3.8	1.0	1.06
VAR000	18	3.5	1.0	1.19
VAR000	18	3.7	1.0	.99
VAR000	18	3.7	.81	.65
VAR000	18	2.6	1.2	1.62
VAR000	18	3.9	.85	.72
VAR000	18	3.8	1.1	1.23
VAR000	18	4.3	.64	.40
VAR000	18	4.4	.80	.64
VAR000	18	4.0	.77	.59
VAR000	18	3.1	1.1	1.42
VAR000	18	4.0	.88	.77
VAR000	18	4.1	.87	.76
VAR000	18	3.7	1.1	1.21
VAR000	18	3.6	1.0	1.12
Valid N	18			

List of supermarkets in Nairobi.

- | | | |
|------------------------------|----------------------------|------------|
| 1.Uchumi Harrys | 55.. Joja Ks | 109.Star |
| 2.Nakumatt | 56.Fair price | 110.Star |
| 3.Ukwala | 57. Harrys | 111.Kahawa |
| 4. Select 'n' Pay | 58.Salisbury | 112 .Gipsy |
| 5. Lucky Star | 59.Shopping paradise | 113.Furs |
| 6. Jack and Jill | 60.Fcc Self service | |
| 7. Fairlane | 61.Ngara | |
| 8. .Safeways | 62.MIS whole store | |
| 9. Tusker Mattresses | 63.Centalinte | |
| 10. Chandarana | 64.The Good Earth | |
| 11. Magic | 65.Kieni | |
| 12. Mega Market | 66.Uchuzi | |
| 13. Fairdeal | 67.Bist provision store | |
| 14. City Mattresses | 68. Lucky and sons | |
| 15. Country Mattresses | 69. Kalay | |
| 16. Sheela | 70.Rose Collection | |
| 17. Woolworths | 71.Alliance | |
| 18. Ebrahims | 72.Flora petty | |
| 19. Rikana | 73. Seven Eleven | |
| 20. Tristar | 74. Midas Touch | |
| 21. Mumsies | 75. Trichem | |
| 22. JDSS | 76. Lucky shop | |
| 23. Baranuki | 77. Mathare | |
| 24. Peponi Grocers | 78.Sheere | |
| 25. Stellar | 79. Njonde | |
| 26. Muthaiga | 80.Robert Ondieki | |
| 27. Santosh | 81. Dry House Holdings co. | |
| 28. Jamia | 82.New Ricken shopper | |
| 29. Gigiri | 83.Rajesh Gloria | |
| 30. Starehe | 84.Well Brand | |
| 31. Naivamatt | 85.Ngara Road | |
| 32. Schilada | 86.Lilian Rahisi | |
| 33. Nova | 87. Mwiki | |
| 34. New Westlands | 88. Fransa | |
| 35. Deepak cash and carry | 89.Datelvey | |
| 36. Queensway | 90. Rafaels | |
| 37. Continental | 91.Holiffied Superstore | |
| 38. Karen | 92.Joan | |
| 39. Spring valley | 93.Cheeji | |
| 40. Westlands General Store. | 94.Victory | |
| 41. Super value | 95. Vantage | |
| 42. Spicy Spice | 96.Stella | |
| 43. Ongata Rongai | 97.Amil and Dryesh | |
| 44. Umoja Mini | 98. Total Thika Road | |
| 45. Maridadi | 99.Geska | |
| 46. Eastleigh Mattresses | 100.Green Forest | |
| 47. Muthaite | 101.Donholm star shop | |
| 48. Roysambo Grocers | 102.White star | |
| 49. MITO | 103. Jazeer | |
| 50. Mount (K) sundries | 104. Kaiwa | |
| 51. Budget | 105. Elipa | |
| 52. South C | 106. Kimani | |
| 53. Tesco | 107. Macson | |
| 54. Tirana | 108. Rose Jam | |

114. Greenfield	175. Furaha
115. Leadsway	176. Tip Top
116. Success	177. Lalab
117. K&A	178. Henenettas
118. Gulabchand	179. Camesh
119. Goodfar stores	180. Eremo
120. Ronnys	181. Ahmed Karim
121. Green Spot	182. Ruble
122. Porarim	183. karanjas
123. Pop-In	1843. Suriha
124. Tricor	185. Pricerite
125. Decoy"s Discount	186. Kenis
126. Kenton	187. His & Her
127. Chemusia	188. Sai
128. Fairrose	189. African Grocers
129. Fontana	190. Aladin Lalji and Sons
130. Mumbi	191. Ladywood Store
131. P & Shah	
132. Baobab Mini	
133. Sikedo Grocers	
134. Pangani	
135. Juja Road	
136. George	
137. Sunrise	
138. Umoja	
139. Ridgeways	
140. Kamindi	
141. Susu	
142. Tihana	
143. Joss	
144. Hurlingham Grocers	
145. Caledermian	
146. Sippys	
147. Versani	
148. Mesora	
149. Furaha	
150. Save More	
151. Shaflus	
152. A & D	
153. Quick Pick	
154. Vijiko	
155. Susy	
156. Faine Fayne	
157. Corner	
158. Acacia	
159. Borno	
160. Choices	
161. Supra	
162. Nafroni	
163. Jeska	
164. Alpany	
165. Marta	
166. Angelas	
167. Better Price	
168. Broadway	
169. Evergreen	
170. Keinani	
171. Frankaal	
172. Bashi	
173. Toyo	
174. Furs	