

**THE RETAIL SERVICE QUALITY SCALE AND CUSTOMER  
LOYALTY: A CASE OF SELECTED SUPERMARKETS IN KISUMU  
CITY, KENYA**

**BY**

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## ABSTRACT

In Kenya, the supermarket sector has experienced tremendous growth in the last decade due to changing supermarket customer tastes and preferences. This has posed tight competition among the supermarkets as well as from the traditional grocery stores. Consequently, supermarkets have appreciated the importance of attracting and retaining a loyal customer base through provision of superior service quality. It is evident from marketing literature that studies on the relationship between service quality and customer loyalty are mainly based on the SERVQUAL model, have been done in markets outside of Kenya, or in industries other than the retail industry. To address this gap, the present study seeks to investigate the relationship between various retail service quality dimensions and customer loyalty using the Retail Service Quality Scale (RSQS) model as well as explore the significance of each dimension in predicting customer loyalty among major supermarkets in Kisumu City, a multi-ethnic and multi-cultural cosmopolitan city, the third largest city in Kenya. The study will be based on the Expectation - Disconfirmation Theory that seeks to explain purchase intentions as a function of customer expectations, perceived performance, and disconfirmation of beliefs. Operationalization of service quality is done using the RSQS model while customer loyalty is operationalized using the Dick and Basu model. The study will adopt a descriptive survey design with the aim of establishing relationships among the study's variables. The target population of the study will be made of four supermarket stores from the four leading supermarkets in turnover in Kisumu City. The study will utilize primary data from the field as well as secondary data from financial records and industry publications. Guided by Kothari's sample size formula, simple random sampling technique will be used to collect information from respondents. Primary data will be collected through questionnaires administered to customers at the supermarket store exit. Validity and reliability of the questionnaire will be established by being checked thoroughly by selected experts; three academics and three retail industry professionals, and suggestions for improvement made. In addition, questionnaire pretesting will be conducted with a group consisting of twenty supermarket customers. The questionnaire will be self-administered, helping to improve on reliability. Statistical package for social sciences (SPSS) will be used to analyse the data using descriptive statistics and presented using tables.

## **DECLARATION**

### **Declaration by the Student**

I, Gerald Were, hereby declare that this research proposal titled, “The Retail Service Quality Scale and Customer Loyalty: A Case of Selected Supermarkets in Kisumu City, Kenya,” is my original work and that all sources that have been referred to and quoted, have been indicated and acknowledged with complete references. It has not been submitted to any other educational institution of higher learning for the purpose of earning any academic qualification.

SIGN: -----

DATE-----

PG/MBA/00002/2012

Gerald Were

### **Declaration by the Supervisor**

This research proposal has been submitted to the Department of Business Administration, Maseno university, by my approval as the candidate’s research project supervisor.

SIGN: -----

DATE: -----

Dr Cainan Ojwang’

Research Project Supervisor

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

EDT: Expectation – Disconfirmation Theory

RSQS: Retail Service Quality Scale

## OPERATIONAL DEFINITIONS OF TERMS

**Customer** refers to an individual who buys goods and services for personal consumption

**Customer loyalty** is the customer's willingness to repurchase a product or service over a long time and have a positive attitude to recommend it to family, friends and associates.

**Customer satisfaction** is the consumer's response to the evaluation of the perceived discrepancy between prior expectations and the actual performance of the product or service as perceived by the customer after its consumption

**Service quality** is the degree to which a service provider is able to satisfy customer needs in a way that meets and/or exceeds the customer's expectations

**Supermarket** is a self-service store offering a wide variety of foods and household merchandise, organized into departments



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## **SECTION ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

This section analyses the background of the study, statement of the problem, purpose of the study, specific objectives and research hypothesis. Also discussed in the section are the scope, significance, and conceptual framework of the study.

#### **1.1 Background of the Study**

In the last fifteen years, Kenya's retail industry has experienced tremendous growth in supermarkets to more than 400 stores (Kibuchi and Mwita, 2015). This has resulted in intense competition forcing supermarkets to not only expand their range of products and services offered but also pay special attention to quality of service and customer loyalty. In addition, they have expanded their operations to the broader Eastern Africa positioning themselves to all kinds of customer needs and income levels (Karanja, 2012). The traditional shops (kiosks) still pose a major threat to supermarkets especially in the rural areas and urban semi-formal settlements due to their close proximity to customers and small size packaging forcing major supermarkets to open branches even in these places.

The aim of this study is to investigate the relationship between various dimensions of service quality and customer loyalty as well as explore the significance of each dimension in predicting customer loyalty among supermarkets in Kisumu City.

Dictionary.com (2018) defines a supermarket as "a large retail market that sells food and other household goods and that is usually operated on a self-service basis." Kotler (2010) on the other hand defines a supermarket as "a self-service store offering a wide variety of foods and household merchandise, organized into departments." This study will adopt Kotler's definition since it suitably defines the enterprises under investigation. Supermarket business is characterized by high labour intensity and low degree of

interaction between the shoppers and service provider, high volumes, low margins and wide variety of products (Mwangi, 2014).

The surge of supermarkets in Kenya has been attributed to increased urbanization, a fast growing middle class and its changing lifestyles, trends and preferences as well as market liberalization (Karanja, 2012). The management dilemma in response to competition is whether to focus on lower pricing, location and lay outs or improve service delivery and hence better service quality to retain customers.

A survey by Citi Group, a global market research institution released in May 2017 indicated that 70% of shopping in Kenya is done through informal retail channels as compared to South Africa which was found to be 60% formalized. This shows the great opportunity still unexploited by supermarkets in Kenya by then. Supermarkets have taken up the challenge and established premier stores in modern malls and shopping centers targeting broader customer needs and groups while providing a superior shopping experience and atmosphere. According to Kimani et al. (2012), “it is clear that the leading supermarkets have started embracing a full retail concept with emphasis on customer service, relationship retailing and total retail experience driven by strategy.”

In response to competition, the major players have also set shop in smaller towns such as Thika, Nakuru, Mombasa, Kisumu, Kitale, and Eldoret, among others, targeting middle and low income markets alienating themselves from the earlier perception that they targeted high class big city consumers. A high presence of other smaller players and over the counter shops (kiosks) has further tightened the competition forcing the players to dramatically rethink on ground breaking strategies that will make them remain competitive in the market place. This has been the same case with supermarkets in Kisumu City. This growth presents questions regarding how supermarkets can satisfy the needs of diverse shoppers who patronise them in order to create a loyal base of customers in the face of very stiff competition.

This study will be guided by the Expectation - Disconfirmation Theory (EDT), a cognitive theory that seeks to explain post-purchase or post-adoption satisfaction as a function of

expectations, perceived performance, and disconfirmation of beliefs. The theory proposed by Oliver (1977) posits that expectations, coupled with perceived performance, lead to post-purchase satisfaction. According to the EDT, supermarket customers expect a specific level of service when they engage in supermarket shopping. After they utilize the actual service, they form valid perceptions of the supermarket's service performance. The degree of positive or negative disconfirmation is developed when pre-and post-purchase expectations by the customer are compared. This in turn influences overall satisfaction. A positive disconfirmation occurs when service performance exceeds initial expectations, which leads to customer satisfaction and loyalty while a negative disconfirmation takes place when service performance falls short of what was originally expected by the customer, leading to dissatisfaction and the customer switching from one supermarket store to another.

Delivery of quality services to customers is an essential strategy for business success and survival in today's competitive environment. It's a major determinant of profitability and long term survival of a business in many industries and therefore a significant differentiator and a powerful competitive weapon which all organizations seek to possess (Bitner, 2008).

Definitions of service quality hold that service quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1984; Parasuraman et al., 1985). The definition of service quality is further developed as "the overall evaluation of a specific service firm that results from comparing that firm's performance with the customer's general expectations of how firms in that industry should perform" (Parasuraman et al., 1988). In view of the above discrepancies, this study adopts the definition of service quality as "service offered to customers measured against their expectations" since it is universally accepted and has been empirically tested by other studies (Mwangi, 2014).

Several models have been used to measure service quality based on dimensions which the researcher(s) considered important in their context of study. The SERVQUAL model developed by Parasuraman, Zeithaml and Berry in 1985 and refined in 1991 is the most popular model used in measuring service quality. This model not only measures the overall

service quality dimensions, that is, the tangibles, reliability, responsiveness, assurance and empathy, but also takes into account customers' expectations versus perceptions of the delivered service which has been described the best way to measure service quality (Beneke, 2009).

Although the SERVQUAL model has been empirically tested in a number of studies involving pure service settings, it has not been successfully adapted to and validated in a retail store environment (Dabholkar et al., 1996). They averred that in retail service, it is necessary to look at service quality from the perspective of services as well as goods and to obtain a set of items that accurately measure this construct. They therefore developed and empirically validated the Retail Service Quality Scale (RSQS) to capture dimensions important to retail customers. They proposed that retail service quality has a hierarchical factor structure comprising five basic dimensions, namely, Personal interaction, Physical aspects, Store Policy, Reliability and Problem solving abilities.

The RSQS model is adopted for this study because it has been empirically validated and looks at service quality from the perspective of a hybrid service, in which category retail service falls. The model has been tested statistically and used to measure service quality in many different contexts with minimal adaptation (Singhal, 2016).

Several authors have defined customer loyalty in various ways. Dick and Basu (1994), referred to customer loyalty as relative attitude towards an entity and a repeat patronage behaviour. Oliver (2009), defined customer loyalty as a "deeply held commitment to rebuy or patronize a preferred product or service consistently in the future causing repetitive same brand or same brand-set purchasing despite situational influences and marketing efforts having potential to cause switching behaviour". Kotler (2010) offers one definition of customer loyalty that is adopted in this study; "the customer's willingness to repurchase a product or service over a long time and have a positive attitude to recommend it to family, friends and associates."

Loyalty is considered present when the customer feels that the firm's product or service best meets the customer's relevant needs such that competitors are excluded from the

consideration set (Bloemer and Kasper, 2009). From these definitions, customer loyalty can be approached in three dimensions i.e. behavioral, attitudinal and an integrated approach. The behavioral dimension considers customer continuity of past purchases and measures loyalty in terms of rate of purchase, frequency of purchase, and possibility of repurchase. The attitude dimension looks at customer loyalty from psychological perspective and measures loyalty in terms of involvement, favoritism, and sense of goodwill towards a specific product or service (Poku et al., 2014). The third approach integrates attitude and behaviour. At this level the customer exhibits a very high level of attachment to the brand or service, does repeat purchases, has positive attitude towards the brand and some high level of commitment to the brand. To achieve this level, the brand must develop a deep relationship with the customer group and form part of the customer's life for the customer to remain highly bonded (Kotler and Armstrong, 2008).

Customer loyalty in general terms increases profit and business growth to the extent that increasing loyal customers by as little as 5% can increase profitability by as much as 30% to 85% depending on the industry (Chengedzai, 2015). Loyal customers are less likely to switch due to price alone and make extra purchases than non-loyal ones contributing to the long term success of a firm. They are willing to pay a premium price for quality as well as faster adoption of new products and services than non-loyal ones. They are also understanding when something is not done right and allow the firm time to respond to competitive actions before they seek the same service from the competitor (Kheng et al., 2010).

Business success depends on the ability of the firm to compete effectively in the market place by attracting and retaining valuable customers (Zeithaml and Bitner, 1996). Spreng et al. (2008) identified service quality as a major determinant of customer retention and building value relationships. Their study found out that less loyal customers are more susceptible to defection and hence the need to be protected through exceptional quality of service.

Customers with high service quality perception will seek out the vendor in the future and are also willing to pay a premium price for the service which contributes positively to

bottom line of the service provider. Such customers complain less, repurchase more and also give a positive word of mouth. They display a strong commitment and goodwill to repurchase and patronize the service in the future (Lai et al., 2009). According to Beneke (2009), only satisfied customers remain truly loyal. Bloemer and Kasper (2009) found that it costs up to six times to attract new customers than to retain an existing one.

Many researchers have investigated the impact of service quality on firms. For example, Beneke (2009) found that firms that attain high customer satisfaction due to good service quality receive greater economic returns. Some studies concluded that service quality has a strong influence on purchase intentions, for instance, to switch to or engage in repeat purchases of a service. But it is evident from marketing literature that the relationship between service quality and customer loyalty is mainly based on studies undertaken using the SERVQUAL model, in markets outside of Kenya, or in other industries other than the retail industry. There are no known studies relating to service quality and customer loyalty in retail business based on the RSQS model that have been conducted in Kenya (Kibuchi and Mwita, 2015).

These differences make it conceptually unclear if findings generated in setting outside of Kenya or in other service industries would apply in the retail market context like Kisumu City, hence the need for this study.

To address this need, the present study seeks to investigate the relationship between various dimensions of service quality and customer loyalty using the RSQS Model as well as explore the significance of each dimension in predicting customer loyalty among selected supermarkets in Kisumu City, namely, Tuskys, Naivas, Choppies, and Khetia's supermarkets. The study is significant in that an understanding of the dynamics surrounding customers' choice may assist retailers in Kisumu City to become more responsive to consumers' needs during their store evaluation, selection and patronage efforts and to improve their service delivery processes for the benefit of their customers and for their own competitiveness.



## **1.2 Statement of the Problem**

Superior service quality is important as a differentiation tool especially in the retail service industry where physical goods are homogenous. Existing academic research on the retail industry has primarily focused on customer perceptions towards service quality using the SERVQUAL model. Other studies on service quality have concentrated on its impact on customer satisfaction in various contexts. One study investigated the impact of service quality on customer satisfaction in the telecoms sector in Kenya while another investigated the relationship between service quality and customer satisfaction in the airlines industry in Kenya. Both found a positive relationship between the two and treated loyalty as an outcome of customer satisfaction but did not consider testing if all satisfied customers remained loyal to the service provider. Other studies on loyalty have been done in isolation and focused primarily on pure product or pure service loyalty but not on a hybrid service context like the retail service. There lacks a study that directly examines the link between service quality dimensions and customer loyalty based on the Retail Service Quality Scale (RSQS) model in a supermarket context in Kenya in general and Kisumu in particular. Therefore, this study is pertinent, contemporary and significant to close the existing gap. The study intends to find out the nature of relationship between RSQS service quality dimensions and customer loyalty among supermarkets and the significance of each the RSQS dimensions of service quality in predicting customer loyalty among the major supermarkets in Kisumu City. The study should empower retailers to undertake the necessary strategies for improving service quality to increase customer loyalty in order to maintain competitiveness. The study may also contribute to academic literature on the relationship between RSQS dimensions and customer loyalty in the Kenyan retailing context in general.

## **1.3 Purpose of the Study**

The main purpose of this study is to examine the relationship between the retail service quality scale (RSQS) and customer loyalty: a case of selected supermarkets in Kisumu City.

#### **1.4 Objectives of the Study**

The study aims at achieving the following specific objectives;

- i) The nature of relationship between RSQS service quality dimensions and customer loyalty among supermarkets in Kisumu City.
- ii) To investigate the significance of individual service quality dimensions in predicting customer loyalty among supermarkets in Kisumu City.

#### **1.5 Research Hypothesis**

The following hypotheses shall be tested in this study;

- i) A relationship exists between RSQS service quality dimensions and customer loyalty among supermarkets in Kisumu City.
- ii) RSQS service quality dimensions have a significant impact on customer loyalty in selected supermarkets in Kisumu City.

#### **1.6 Scope of the Study**

This research study focusing on investigating the relationship between the retail service quality scale (RSQS) and customer loyalty among major supermarkets in Kisumu City, will be conducted between the month of July to September, 2018. The study will use the four largest supermarkets in turnover in Kisumu City as case studies based on information obtained from a study commissioned by Kestrel Capital in 2017, corroborated with that provided by the Department of Trade, Kisumu County. These are, Tuskys, Choppies, Naivas and Khetia's supermarkets. Only a single store for each supermarket will be selected as a matter of convenience. The four supermarket stores will be taken as case studies although it is only their customers that will be interviewed. Kisumu City is in Kisumu County, in Nyanza, Western Kenya and covers an area of 417 square kilometres as per the 2009 Kenya Population Census.

## **1.7 Significance of the Study**

The study intends to add to the existing body of knowledge of service quality and customer loyalty literature. Students and other scholars pursuing courses related to this study will immensely benefit from the length, breadth, and depth of this study's findings. The study's findings may provide a window through which supermarkets may improve their level of service quality, leading to effective market targeting, customer satisfaction and retention. Additionally, the study will provide more theoretical and empirical insights on the dimensions of service quality that the customers appreciate to remain loyal while offering suggestions to improve performance of the major supermarkets in Kenya's third largest city. The findings may help customers to obtain more improved retail service quality, giving them good value for their money. Lastly, being a requirement for the award of the degree of Masters in Business Administration at Maseno University, by conducting this research, the researcher will be able to fulfil this requirement.

## 1.8 Conceptual Framework of the Study

RSQS model developed by Dabholkar et al. (1996) has greatly aided in measurement of service quality in retail business. The model measures service quality as the difference between expectations of the consumer and their assessment of the actual service offered. Customer loyalty has been operationalized using the Dick and Basu (1994) model comprising of behavioural and the attitudinal loyalty. Combinations of both models form the conceptual framework of this study.

### Independent Variable

### Dependent Variable

#### Retail Service Quality Scale (RSQS)

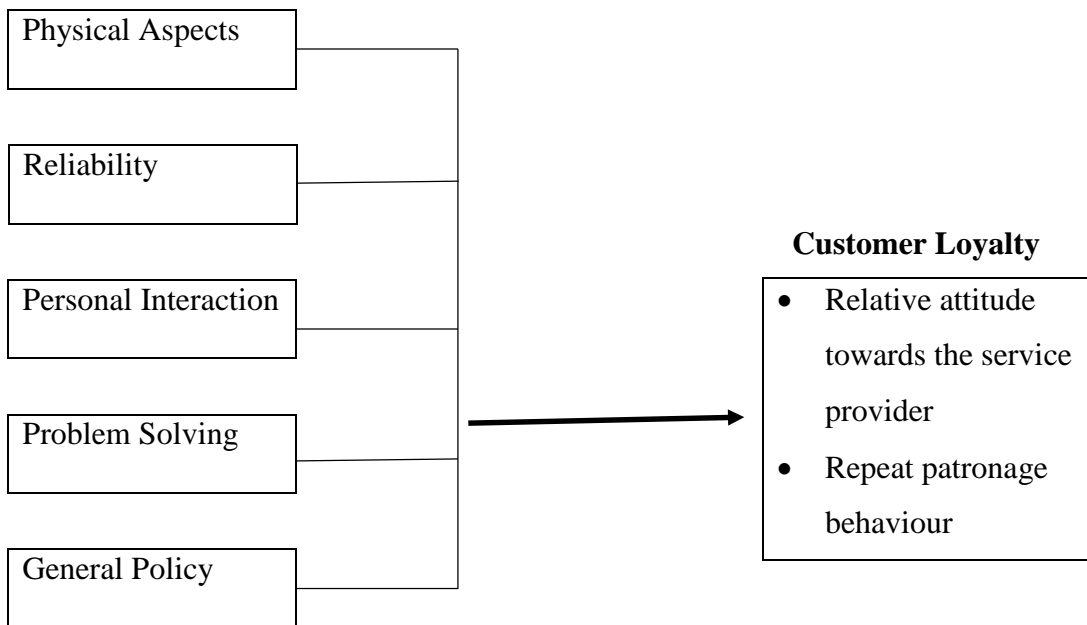


Figure 1: Conceptual framework showing the relationship between RSQS and customer loyalty. Source: Adopted from the RSQS model by Dobholkar et al., 1996.

Retail service quality indicators, that is, Physical aspects, Reliability, Personal interaction, Problem solving, and Policy, are used to evaluate customer expectations of service quality against their perceptions after a service experience in the supermarkets. Out of these perceptions, customers make a decision on whether to remain loyal to a specific supermarket or may seek similar services from a different provider in future. Loyalty is determined by the customer's positive attitude towards the store as well as patronage.

## SECTION TWO

### LITERATURE REVIEW

#### 2.0 Introduction

This section discusses the theoretical and empirical literature concerning the relationship between the Retail Service Quality Scale (RSQS) and customer loyalty. It commences by reviewing the relevant theory that seeks to explain the relationship. It particularly focuses on the review of literature conceptualised on the two objectives of the study, that is, the nature of relationship between service quality dimensions and customer loyalty and the significance of service quality dimensions in predicting customer loyalty. Thereafter, a summary of the chapter and the gaps to be filled by the study is discussed.

#### 2.1 Theoretical Review

##### 2.1.1 Expectation – Disconfirmation Theory

The *expectation - disconfirmation theory* (EDT) is widely used in customer satisfaction and loyalty studies (Serenko and Stach, 2016). The EDT is a cognitive theory that seeks to explain post-purchase or post-adoption satisfaction as a function of expectations, perceived performance, and disconfirmation of beliefs. The structure of the theory was developed by Richard Oliver in 1977. The theory posits that expectations, coupled with perceived performance, lead to post-purchase satisfaction. This effect is mediated through positive or negative disconfirmation between expectations and performance. If a product or service outperforms expectations (positive disconfirmation) post-purchase satisfaction will result. If a product or service falls short of expectations (negative disconfirmation) the consumer is likely to be dissatisfied (Oliver, 1977).

The four main constructs in the model are: expectations, performance, disconfirmation, and satisfaction. Expectations reflect anticipated behaviour (Spreng et al. 2008). They are predictive, indicating expected product attributes at some point in the future. Supermarket shoppers tend to form certain expectations about the quality of service they will receive.

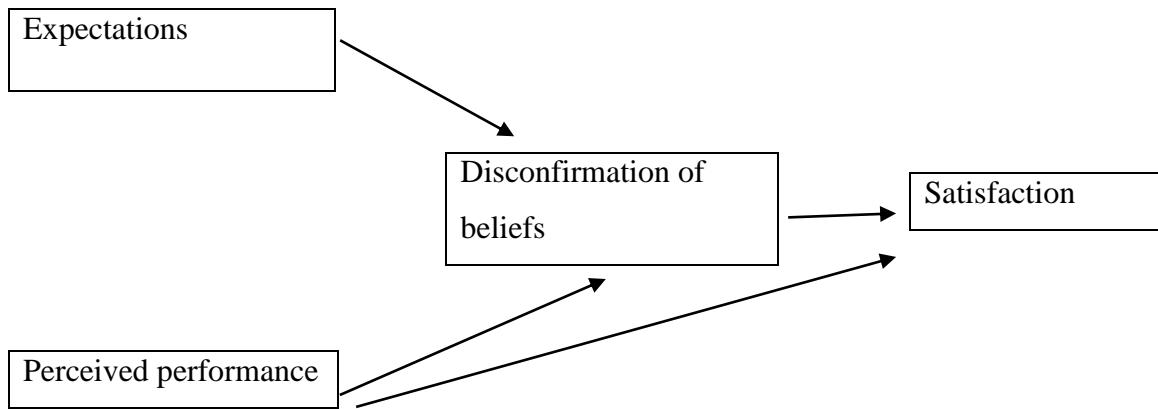


Figure 2: A Model of Expectation-Disconfirmation Theory (Oliver, 1977)

Expectations serve as the comparison standard in EDT – what consumers use to evaluate performance and form a disconfirmation judgment (Oliver, 1977). Disconfirmation is hypothesized to affect satisfaction, with positive disconfirmation leading to satisfaction and negative disconfirmation leading to dissatisfaction. The expectations refer to the attributes or characteristics that a person anticipates or predicts will be associated with an entity such as a product or service (Serenko and Stach, 2016). Expectations are posited to directly influence both perceptions of performance and disconfirmation of beliefs, and are posited to indirectly influence post-purchase or post-adoption satisfaction by way of a mediational relationship through the disconfirmation construct. Pre-purchase or pre-adoption expectations form the basis of comparison against which the service offered by a supermarket is ultimately judged.

Perceived performance refers to a person’s perceptions of the actual performance of a product or service (Oliver, 1977). According to EDT, perceptions of performance are directly influenced by pre-purchase or pre-adoption expectations, and in turn directly influence disconfirmation of beliefs and post-purchase or post-adoption satisfaction. Perceived performance is also posited to indirectly influence post-purchase or post-adoption satisfaction by way of a mediational relationship through the disconfirmation construct.

Disconfirmation of beliefs refers to the judgments or evaluations that a person makes with respect to a product or service (Oliver, 1977). These evaluations or judgments are made in comparison to the person's original expectations. When a product or service outperforms the person's original expectations, the disconfirmation is positive, which is posited to increase post-purchase or post-adoption satisfaction. When a product or service underperforms the person's original expectations, the disconfirmation is negative, which is posited to decrease post-purchase or post-adoption satisfaction, that is, to increase dissatisfaction.

Post-purchase or post-adoption satisfaction refers to the extent to which a person is pleased or contented with a product or service after having gained direct experience with the product or service. The Expectation-confirmation theory posits that satisfaction is directly influenced by disconfirmation of beliefs and perceived performance, and is indirectly influenced by both expectations and perceived performance.

According to the EDT, supermarket customers expect a specific level of service when they engage in supermarket shopping. After they utilize the actual service, they form valid perceptions of the supermarket's service performance. The degree of positive or negative disconfirmation is developed when pre-and post-purchase expectations by the customer are compared. This in turn influences overall satisfaction. A positive disconfirmation occurs when service performance exceeds initial expectations, which leads to customer satisfaction and loyalty while a negative disconfirmation takes place when service performance falls short of what was originally expected by the customer, leading to dissatisfaction and the customer switching from one supermarket store to another.

### **2.1.2 Service Quality Measurement**

Delivery of quality service to customers is an essential strategy for business success and survival in today's competitive environment. It's a major determinant of profitability and long term survival of a business in many industries and therefore a significant differentiator and a powerful competitive weapon which all organizations seek to possess (Bitner, 2008).

Definitions of service quality hold that service quality is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Gronroos, 1984; Parasuraman et al., 1985). The definition of service quality is further developed as “the overall evaluation of a specific service firm that results from comparing that firm’s performance with the customer’s general expectations of how firms in that industry should perform” (Parasuraman et al., 1988). In view of the above discrepancies, this study adopts the above definition of service quality since their model of service quality is universally accepted and has been empirically tested by other studies (Mwangi, 2014).

Several models have been used to measure service quality based on dimensions which the researcher(s) considered important in their context of study. The SERVQUAL model developed by Parasuraman, Zeithaml and Berry in 1985 and refined in 1991 is the most popular model used in measuring service quality. This model not only measures the overall service quality dimensions, that is, the tangibles, reliability, responsiveness, assurance and empathy, but also takes into account customers’ expectations versus perceptions of the delivered service which has been described the best way to measure service quality (Beneke, 2009).

Although the SERVQUAL model has been empirically tested in a number of studies involving pure service settings, it has not been successfully adapted to and validated in a retail store environment (Dabholkar et al., 1996). They averred that in retail service, it is necessary to look at service quality from the perspective of services as well as goods and to obtain a set of items that accurately measure this construct. They therefore developed and empirically validated the Retail Service Quality Scale (RSQS) to capture dimensions important to retail customers. They proposed that retail service quality has a hierarchical factor structure comprising five basic dimensions, namely, Personal interaction, Physical aspects, Store Policy, Reliability and Problem solving abilities.

The physical aspect dimension refers to the tangible dimension of SERVQUAL (Parasuraman et al., 1988) where attractive appearance of the store and materials associated with the services the store provides and convenience for the customer is evaluated. The



reliability dimension stands for how the store keeps its promises. According to Parasuraman et al. (1988), reliability of the store can have an impact on the image of the store and service quality. Personal interaction is the combination of tangible and intangible service (Dabholkar et al., 1996) and refers to the service personnel skills and behaviour. The problem solving shows how well and sincere the store handles customer problems. The general policy dimension refers to the quality of merchandize, parking conditions, operating hours and related policies.

Managing a business to optimize customer satisfaction is a strategic imperative in supermarkets, since the cost of mediocre service quality may be as high as forty percent of revenues in some service organizations (Manuel, 2008). Retail organizations realize that, by improving performance on service attributes, customer satisfaction should increase. This increase should, in turn, lead to greater customer retention and loyalty (Lovelock, 2002).

The RSQS model is adopted for this study because it has been empirically validated and looks at service quality from the perspective of a hybrid service, in which category retail service falls. The model has been tested statistically and used to measure service quality in many different contexts with minimal adaptation (Singhal, 2016).

Table 1: Dimensions measuring retail service quality

<b>Dimensions</b>	<b>Definitions</b>
Physical aspects	Appearance and convenience of retail store
Reliability	Retailers do the right things and do as they promised
Personal interaction	Employees are courteous and inspire confidence in customers
Problem solving	Employees' ability to handle customer complaints, returns and exchanges
Policy	Store policy on parking, operation hours, merchandise quality, credit cards, etc.

Source: Dabholkar et al., 1996.

### 2.1.3 Customer Loyalty

Several authors have defined customer loyalty in various ways. Dick and Basu (1994), referred to customer loyalty as relative attitude towards an entity and a repeat patronage behaviour. Oliver (2009), defined customer loyalty as a “deeply held commitment to rebuy or patronize a preferred product or service consistently in the future causing repetitive same brand or same brand-set purchasing despite situational influences and marketing efforts having potential to cause switching behaviour”. It can also be defined as the customer’s overall affiliation or strong commitment to a service/product or company (Kotler, 2010).

Gremler and Brown (2008) offers one definition of customer loyalty that is suited to the purpose in this study; the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service exists. In the present study customer loyalty is operationalized as positive word of mouth communication by customers, leading to reduced customer complaints and costs, increased staff morale, and repeat customer patronage.

Loyalty is developed over a period of time from a consistent record of meeting, and sometimes even exceeding customer expectations (Zeithaml and Bitner, 1996). Kotler (2010) states that the cost of attracting a new customer may be five times the cost of keeping a current customer happy, hence the need for customer retention. Gremler and According to Bloemer and Kasper (2009), loyalty is interpreted as true loyalty rather than repeat purchasing behavior, which is the actual re-buying of a brand, regardless of commitment. Parasuraman et al. (1988) states that loyalty is a multi-dimensional construct and includes both positive and negative responses. Ramakrishnan and Ravindran (2012) also noted that it is not always the case that customer defection is the inverse to loyalty, while Kheng et al. (2010) suggested that, “even when a problem is not solved, approximately half of the customers would remain with the firm”. This may be due to switching costs, lack of perceived differentiation of alternatives, location constraints on choice, time or money constraints, habit or inertia which are not related to loyalty (Bitner, 2008). Hart and Davies (2009) described that customers can be kept loyal by maintaining

good relationships between customers and company. Based on the 20-80 principle, the top 20% of the customers may create 80% of profit for a company (Kotler, 2010).

Loyalty is considered present when the customer feels that the firm's product or service best meets the customer's relevant needs such that competitors are excluded from the consideration set (Bloemer and Kasper, 2009). From these definitions, customer loyalty can be approached in three dimensions, that is, the behavioral, attitudinal and integrated approach.

The behavioral dimension considers customer continuity of past purchases and measures loyalty in terms of rate of purchase, frequency of purchase, and possibility of repurchase. The attitude dimension looks at customer loyalty from psychological perspective and measures loyalty in terms of involvement, favoritism, and sense of goodwill towards a specific product or service (Poku et al., 2014). The third approach integrates attitude and behaviour. At this level the customer exhibits a very high level of attachment to the brand or service, does repeat purchases, has positive attitude towards the brand and some high level of commitment to the brand. To achieve this level, the brand must develop a deep relationship with the customer and form part of the customer's life for the customer to remain highly bonded (Hart and Davies, 2009).

Customer loyalty in general terms increases profits and business growth to the extent that increasing loyal customers by as little as 5% can increase profitability by as much as 30% to 85% depending on the industry (Chengedzai, 2015). Loyal customers are less likely to switch due to price alone and make extra purchases than non-loyal ones contributing to the long term success of a firm. They are willing to pay premium price for quality as well as faster adoption of new products and services than non-loyal ones. They are also understanding when something is not done right and allow the firm time to respond to competitive actions before they seek the same service from the competitor (Kheng et al., 2010).

#### **2.1.4 Service Quality and Customer Loyalty**

Business success depends on the ability of the firm to compete effectively in the marketplace by attracting and retaining valuable customers (Kotler, 2010). Spreng et al. (2008) identified service quality as a major determinant of customer retention and building value relationships. Their study found out that less loyal customers are more susceptible to defection and hence the need to be protected through exceptional quality of service.

Customers with high service quality perception will seek out the vendor in the future and are also willing to pay a premium price for the service which contributes positively to bottom line of the business. Such customers complain less, repurchase more and also give a positive word of mouth. They display a strong commitment and goodwill to repurchase and patronize the service in the future (Lai et al., 2009).

Competing firms must therefore find ways of meeting customer needs better than competitors and businesses that depend on emotional relationships with their customers for survival must think about service quality as a strategy for customer loyalty management. According to Beneke (2009), only satisfied customers remain truly loyal. Bloemer and Kasper (2009) found that it costs up to six times to attract new customers than to retain an existing one, hence the significance of building a loyal base of customers.

#### **2.2 Empirical Review**

Many researchers have investigated the impact of service quality on firms. For example, Beneke (2009) found that firms that attain high customer satisfaction due to good service quality receive greater economic returns. Research by Chengedzai (2015) concluded that a typical company gets 65% of its business from existing customers while it costs more to find new customers than to retain an existing one happy. He further showed that it takes twelve good service experiences to overcome a single bad one and 91% of unhappy customers will not switch back to a company that displeased them. Yang and Fang (2008) found out that one satisfied customers will share their experience with five to six other people but dissatisfied ones will complain to at least ten of their friends.

Trang (2008) concluded that most retailers are turning to service quality as a retention strategy through enhancing loyalty. He further indicated that loyal customers deliver distinct advantages such as sustainable revenue and profitability. Exceptional service quality is said to result in a positive word of mouth which plays a crucial role in product choice and vendor selection among consumers (Ramakrishnan and Ravindran, 2012).

Two parameters of service quality; reliability and empathy were found to be positively correlated to customer loyalty (Beneke, 2009). A positive relationship was found between all the attributes of service quality and customer loyalty with the mediating effect of customer satisfaction in a study in retail banking sector in Norway. Tangibles, responsiveness and reliability were found directly related with customer loyalty in the telecommunications industry in Ghana in the study of Idrissu (2011). Empathy had the highest positive correlation while assurance had the least correlation with customer loyalty.

In a study conducted by Agevi and Kilika (2013) in the Kenyan mobile telecommunication sector, all the indicators of service quality (SERVQUAL) model were found to have a positive correlation with customer loyalty. Empathy had the highest influence on customer loyalty in that study. The impact of all the parameters of customers' perceived service quality was positive on customer loyalty except tangibility in the study of Ramakrishnan and Ravindran (2012). All the five constructs of SERVQUAL were found strongly connected with customer loyalty in the study of Poku et. al. (2014) in the telecommunication industry of Ghana. Parasuraman et al., (1988) argue that reliability or the ability to perform promises dependably and accurately is the most important predictor of customer loyalty and tangibles playing the least role regardless of the service. Study on retail trade by Wong and Sohan (2013) found service quality as a significant determinant of loyalty among customers.

However, evidence is lacking in generalizing these findings based on the SERVQUAL model to retail service. Dimensions used in the RSQS model are stressed as important components to measure retail service quality (Dabholkar et al., 1996). The convenience of shopping such as store layout also is demonstrated as one of the service quality dimensions in retailing which impacts on customers' perceptions. Chengedzai, (2015) found that

customers were rather sensitive to the way retailers responded to their problems. Singhal (2016) also showed that good policies of returning and exchanging merchandise as well as the credit and charge account were important to retail customers. Furthermore, Hanjunath and Naveen (2012) also mentioned that store environment comprising of ambient attributes, design attributes and social attributes played an important role in evaluating retail service quality of customers. Besides, other retail service quality dimensions such as convenient parking, quality of merchandise were examined in the empirical study of Poku et al. (2014).

The findings in a study by Boshoff and Terblanche (2011) supported the applicability of Retail service quality scale in the context of department stores, specialty stores and hypermarkets. RSQS was found to be fit in a supermarket environment. Trang (2008) examined the relationships between the service quality of supermarkets and the customer satisfaction and loyalty by using a sample of 318 supermarket shoppers in Ho Chi Minh City. The methodology of this study was Retail Service Quality Scale (RSQS). The results indicated that five dimensions comprising of the Quality of merchandise, Service personnel, Layout of retail store, Appearance and Safety were important factors that made customers satisfied and loyal to a supermarket. Kaul (2009) tested RSQS at 440 shoppers in various supermarkets in Ho Chi Minh City. The findings showed that 4 factors namely Physical Aspects, Service Personnel, Policy and Reliability have impact on service quality in supermarkets.

These studies, however, confined themselves on several specific regions outside of Kenya. To address this need, the current study, based on Dabholkar's model aims to empirically investigate the relationship between service quality and customer loyalty in Kisumu City supermarkets.

### **2.3 Summary and Gaps to be Filled by the Study**

It is commonly agreed that a high level of retail service quality leads to loyalty. There are research schools that support the direct effect of service quality towards behaviour intentions and loyalty is seen as an outcome of retail service quality construct (Dabholkar

et al., 1996). The RSQS model outlines retail service quality attributes as physical aspects of the supermarket, reliability of personnel, personal interaction, problem-solving ability of staff, and general supermarket policy. Service quality attributes such as reliability and empathy were found to be positively correlated to customer loyalty (Bitner, 2008). High quality service leads to increased customer satisfaction. According to Lovelock (2002), customers compare the service expected to what is actually received. Customers decide how satisfied they are with service delivery and outcomes; on which they then base their future purchase intentions.

But it is evident from marketing literature that the relationship between service quality and customer loyalty is mainly based on studies undertaken using the SERVQUAL model, in markets outside of Kenya, or in other industries other than the retail industry. There are no known studies relating to service quality and customer loyalty in retail business based on the RSQS model that have been conducted in Kenya (Kibuchi and Mwita, 2015). These differences make it conceptually unclear if findings generated in setting outside of Kenya or in other service industries would apply in the retail market context like Kisumu City, hence the need for this study.

To address this need, the present study seeks to investigate the relationship between various dimensions of service quality and customer loyalty using the RSQS Model as well as explore the significance of each dimension in predicting customer loyalty among selected supermarkets in Kisumu City, namely, Tuskys, Naivas, Choppies, and Khetia's supermarkets. The study is significant in that an understanding of the dynamics surrounding customers' choice may assist retailers in Kisumu City to become more responsive to consumers' needs during their store evaluation, selection and patronage efforts and to improve their service delivery processes for the benefit of their customers and for their own competitiveness.

Therefore, based on the theoretical concepts, the purpose of this study is: (1) to measure the retail service quality in the Kenyan retail industry, specifically in Kisumu City, and (2) to examine the significance of individual RSQS dimensions in predicting customer loyalty among supermarkets in Kisumu City.

## **SECTION THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This section provides the methodology of the study. It highlights the research design, the study area, target population, sample size and sampling techniques. Also discussed are the data collection methods and procedures.

#### **3.1 Research Design**

The study will be carried out through a descriptive survey design. Survey research is a technique best suited for gathering information from a large number of users (Kothari, 2004). This design is considered appropriate because it allows the researcher to describe the state of affairs as it exists as well as describe the characteristics of various variables to discover relationships among them. The design also allows use of a large sample making results more reliable and statistically significant. According to Mugenda and Mugenda (1999), a descriptive study ensures the observer eliminates subjectivity by administering a standard stimulus to all the respondents and to maximize research survey reliability. Rogers (2001) also asserts that survey design is appropriate in gathering information regarding a prospective customer's knowledge, awareness, and attitudes. In this study, the researcher seeks to examine the relationship between the retail service quality scale (RSQS) and customer loyalty in selected supermarkets in Kisumu City. Therefore, the research design is best suited for the study at hand.

#### **3.2 Study Area**

The study area will be in Kisumu City, Kisumu County, in Kenya. The city of Kisumu has grown to be an important commercial centre in Western Kenya and is the proposed regional centre for the East African Community. It covers an area of 417 square kilometres. The Kenya National Population Census of 2009 showed that the population stood at 409,928 persons distributed among about 54, 649 households (Kenya National Bureau of Statistics,



2015). Kisumu City is the third largest urban centre in Kenya after Nairobi and Mombasa. Kisumu City was selected since it is a multi-ethnic and multi-cultural cosmopolitan city, hence views provided by the respondents would generally represent the views of the Kenyan market.

### **3.3 Target Population**

Mugenda and Mugenda (1999) define target population as “the entire group or objects to which the researcher wishes to generalise the study’s findings.” The population for this study will consist of supermarket shoppers in Kisumu City. By the time of this study, there are 24 supermarkets in Kisumu City listed on the yellow pages of Kenya Postel Directory (2017 Edition). The list is considered appropriate because Kenya Postel Directory is a credible company that lists businesses with their official contacts for customer information and traceability. The target population will consist of shoppers of four top supermarkets based on turnover in Kisumu City. According to a study in 2017 by Kestrel Capital, a market research company, the four have the highest share of the market with over 60% combined market share. They are also professionally managed and driven by strategy making it possible to generalize the findings. Customers shopping at Tuskys Lolwe (Mega Plaza), Naivas Highway, Choppies Kenshop, and Khetia’s Highway supermarkets will be interviewed to examine the relationship between the retail service quality scale (RSQS) and customer loyalty in the selected supermarkets in the month of August to September, 2018.

### **3.4 Sample Size and Sampling Techniques**

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran, 2001). It is for the benefit of the population that research is done. However, due to the large size of populations, researchers often cannot test every individual in the population, because it is too expensive and time-consuming. Therefore, the researcher has selected a sample of the population to investigate. Sekaran defines a sample as a subgroup or subset of the population. It is a percentage of the total population under study. By studying the sample, the researcher is able to draw conclusions

that would be generalizable to the entire population of interest. The respondents will be selected randomly and the following formula adapted from Kothari (2004) will be used to determine sample size.

$$n = \frac{z^2 pq}{e^2}$$

Where  $n$  is the desired sample size when the population is greater than 10000;  $z$  is the selected critical value of desired confidence level (the value for normal distribution);  $p$  is the estimated proportion of an attribute that is present in the population;  $q = 1 - p$  and  $e$  is the desired level of precision.

On the basis of the formula, at 95% desired confidence level and 5% desired precision level, with a maximum degree of variability ( $p = 0.5$ ,  $q = 0.5$ ), the sample size will be as follows;  $p = 0.5$  and hence  $q = 1 - 0.5 = 0.5$ ;  $e = 0.05$ ;  $z = 1.96$ .

Therefore;

$$n = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2} = 384.16 \sim 384.$$

This sample will be allocated to each of the four supermarkets based on monthly average turnover for the year 2017 for each store according to the study by Kestrel Capital. This is shown in table 2 below.

Table 2: Sample Size

<b>Supermarket Store</b>	<b>% Average Monthly Turnover</b>	<b>Number of Respondents</b>
Tuskys Lolwe (Mega Plaza)	44%	169
Naivas Highway	23%	88
Choppies Kenshop	17%	65
Khetia's Highway	16%	62
<b>TOTAL</b>	<b>100</b>	<b>384</b>

Data will be collected from shoppers on the basis of simple random sampling. Supermarket shoppers will be conveniently selected to fill in the questionnaire by themselves to reach the sample size of 384.

### **3.5 Data Collection Methods and Procedure**

#### **3.5.1 Data Collection Methods**

The study will use questionnaires to source information regarding the relationship between retail service quality and customer loyalty. A questionnaire is an instrument that a researcher uses to measure variables in which researcher conceptualizes and operationalizes the variables as questions. Respondents read the questions themselves and provide answers on the questionnaire (Gay, 2010). According to Aaker et al. (2008), there are advantages and disadvantages associated with the use of questionnaires for collecting data in a research study. The advantages are; the questionnaire is useful to obtain information from reasonably large groups of participants, large groups of participants can be assessed simultaneously and costs are relatively low, and they are quick and efficient. The disadvantages are; the response rate from participants in answering the questionnaire may be low, they are inflexible, information received may not be in great depth, and participants may ignore the questionnaire or parts of it hence the researcher may receive incomplete questionnaires which will have to be discarded.

To collect data from the sample, a self-administered questionnaire will be employed. The questionnaire will comprise of four sections: Section A will capture customer background information, that is, gender, age, income class, education and marital status. Section B will consist questions to measure retail service quality using five point Likert scale ranging from “strongly agree” to “strongly disagree.” Section C will contain questions to measure customer loyalty also on five point Likert scale ranging from “strongly disagree” to “strongly agree.” Section D will consist of customer recommendations to improve customer loyalty among leading supermarkets in Kisumu City.

The questionnaire will be pretested using a group of twenty supermarket customers before being used full scale to identify probable weaknesses for early correction where necessary.

It will be administered by research assistants at the exit points of the supermarkets with permission from supermarket management. For those respondents who may request to fill later and return, a stamp paid envelop will be issued to them so they can post for free after completing in a period of one week or less.

### **3.5.2 Data Collection Procedure**

This study is empirical in nature where both primary and secondary information is used. Secondary data will be collected from various published sources including books, printed journals, online journals, and websites whereas primary data for the study will be collected from shoppers of different supermarkets under the present study.

Respondents for this research will comprise of consumers shopping in four supermarket stores in Kisumu City, Kisumu County, Kenya. The researcher will first approach the management of the supermarket stores to obtain permission to conduct the research over a period of one month (30 days). The survey will be conducted during daytime shopping hours from August to September 2018.

A cover letter will be attached to each questionnaire and handed to respondents who will be assured that the information they provide will be kept anonymous and confidential. They will be made aware of their requirement to be honest when responding to the questions to help ensure the accuracy of the results. Respondents will also be provided with detailed instructions as to how the questionnaires should be completed. This is aimed at significantly reducing the likelihood of obtaining biased responses (Sekaran, 2001).

### **3.5.3 Test for Validity and Reliability**

#### **3.5.3.1 Validity**

Validity means that a research measures what it in fact is intended to measure, and that the researcher has control of the credibility of the information obtained. There are two main types of validity, internal and external. Internal validity signifies the degree of credibility, and means that the questions in the interview should be asked in line with the purpose of

the study. External validity means that the research is conducted only on the appointed group of respondents. To increase validity, the interview questions will be based on the subject under study. The guidance of the research supervisor will also be sought for this purpose.

### **3.5.3.2 Reliability**

Reliability means that a research is done in a reliable way, that the results obtained from a research will be reliable and similar after repeated measures or after measures made by someone else other than the original researcher (Aaker et al., 2008). To improve reliability, the questionnaire will be checked thoroughly by selected experts and suggestions for improvement made (Gay, 2010). It will be reviewed by three academics and three retail industry professionals and a pilot testing will be carried out with a group consisting of twenty retail customers. Additionally, the same set of questions will be given to all the respondents, who will also be provided with detailed instructions as to how the questionnaire should be completed. The questionnaire will be self-administered so as to significantly reduce the likelihood of obtaining biased responses (Sekaran, 2001).

## **3.6 Data Analysis and Presentation**

The questionnaires will be collected, sorted, and edited for completeness and accuracy. Responses will be coded to enable grouping to various categories. Descriptive statistics such as frequencies, mean, standard deviation, percentages and sums will be used to analyze customer perceptions of service quality and loyalty. Descriptive statistics are used to describe the basic features of data in a study by providing simple summaries about the sample (Kothari, 2004). Correlation and regression analysis will be done to establish relationships between variables and the extent to which the independent variables explain the dependent variable. Analysis of data will be aided by use of Statistical Package for Social Sciences (SPSS). The following regression model will guide the data analysis.

$$Y = a_0 + a_1X_1 + a_2X_2 + a_3X_3 + a_4X_4 + a_5X_5 + \epsilon$$

Where;

$Y$  = Customer Loyalty

$a_0$  = Constant term

$a_1$ .  $a_5$  = Coefficients

$x_1$  = Physical aspects

$x_2$  = Reliability

$x_3$  = Personal interaction

$x_4$  = Problem solving

$x_5$  = Policy

$\epsilon$  = the error term

### **3.7 Ethical Considerations**

The main ethical issue in this study is the privacy and confidentiality of the information provided by the respondents. In order to protect the rights of research participants, the researcher will approach respondents to fill in the questionnaires on a voluntary basis to uphold the principle of voluntary participation. Research respondents will be fully informed about the procedures involved in the research and will first be required to give their consent to participate before filling in the questionnaires. The respondents will also be assured of their confidentiality and that the information they provide will not be made available to anyone not directly involved in the study. The respondents will be assured of their anonymity throughout the study since they will not be required to give their identity. This is to ensure their privacy is maintained.

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## **APPENDICES**

### **APPENDIX 1: LETTER OF INTRODUCTION**

Gerald Were,

Maseno University,

Private Bag, Maseno.

Mobile Phone: 0733944580

E-mail: geraldwerre@gmail.com

#### **RE: SERVICE QUALITY AND CUSTOMER LOYALTY**

I am a post graduate student undertaking a Master of Business Administration, Marketing Management degree at Maseno University. As part of the academic programme, am conducting a research on service quality and its relationship with customer loyalty among leading supermarkets in Kisumu City. You have been selected to be part of this study and through this letter I seek your assistance in allowing me to collect data from your customers at the supermarket exit. All the information obtained will be treated with strict confidentiality and for academic purposes only.

Your assistance and cooperation in this exercise will be highly appreciated.

Yours Faithfully

Gerald Were.

## APPENDIX 2: QUESTIONNAIRE

### SECTION A: DEMOGRAPHIC INFORMATION

Please tick appropriately

1. Name of supermarket-----
2. Please indicate your age bracket in years in the table below.

Less than 20 years	
19-29 years	
30-39 years	
40- 49 years	
50 - 59 years	
60 years and over	

3. In the table below, please indicate your gender.

Male	
Female	

4. Please indicate your marital status in the table below.

Single	
Married	
Divorced / Separated	
Widow/widower	

5. Please indicate the highest level of education that you have attained.

Primary	
Secondary	
Tertiary	
Graduate	
Postgraduate	

6. Please indicate your average income range per month in Kenya shillings.

Less than 20,000	
20,000 - 50,000	
50,001 - 100,000	
100,001 - 150,000	
150,001 - 200,000	
Over 200,000	

#### SECTION B: SERVICE QUALITY

Service quality refers to quality of service offered to customers measured against their expectations. Please indicate your level of agreement or disagreement with the following statements to evaluate service quality in this supermarket. Use a scale of 1-5 where:

1= Strongly agree

2 = Agree

3 = Not sure

4 = Disagree

5 = Strongly disagree

Choose one option only.

<b>Service Quality Dimension</b>	<b>Statement Criteria</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Physical Aspects	The supermarket uses modern equipment to offer its services					
	Employees in the supermarket have a professional look					
	Physical facilities inside and outside the supermarket are visually attractive					
	Information signs, communication materials such as shopping bags, loyalty cards, catalogues etc. regarding the supermarket are visually appealing and easy to understand					
Reliability	The supermarket provides its services without making mistakes					
	Promises given to customers are fulfilled within agreed time frame					
	Employees in the supermarket show sincere effort to solve customers' problems					
Personal Interaction	The behaviour of employees in this store instils confidence in customers					
	Employees in this store are never too busy to respond to customers' requests					
	Employees in this store have the knowledge to answer to customers' questions					
	Employees of this store are able to handle customer complaints directly and immediately					
	When a customer has a problem this store shows a sincere interest in solving it					
	Employees in this store are courteous and respectful					
	Employees in this store give customers individualised attention					
Problem Solving	Employees in the supermarket are prompt in attending to customer requests					
	Employees in the supermarket are willing to help customers at any moment					
	Employees are willing to provide customers with necessary information to make shopping decisions					
	Staff in the supermarket are willing to handle customer complaints					
	Staff are willing to provide solution to customer problems					
General Policy	This store accepts all major credit cards					
	This store has operating hours convenient to all their customers					
	This store provides plenty of convenient parking for customers					
	This store has an assortment high quality merchandise when the customers want them					

SECTION C: CUSTOMER LOYALTY

Customer loyalty is the customer’s willingness to repurchase a product or service over a long time and have a positive attitude to recommend it to family, friends and associates.

Please indicate your level of agreement with the following statements to evaluate to your loyalty to this supermarket. Use a scale of 1-5 where:

1= Strongly agree; 2 = Agree; 3 = Not sure; 4 = Disagree 5 = Strongly agree.

<b>Customer Loyalty Measure</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
I would like to revisit this supermarket for my shopping needs					
I recommend my family, friends and associates to visit this supermarket for their shopping needs					
I would like to repurchase many other goods in this supermarket					
I consider this supermarket my first choice when I need to do shopping					
I Intend to continue making my purchases in this supermarket in the future					
I can’t complain to other people about this supermarket’s services					

SECTION D: RECOMMENDATIONS

What recommendations would you make concerning service quality to improve customer loyalty among leading supermarkets in Kisumu City?

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**APPENDIX 3: WORK PLAN**

<b>ACTIVITIES</b>	<b>July 2018</b>	<b>August 2018</b>	<b>September 2018</b>
Topic evaluation and presentation	////////		
Proposal development		////////////////////////////////////	
Instrument revision		////////	
Proposal presentation		////////	
Field work data collection		////////////////////////////////////	
Data Analysis		////////	
Report writing			////////////////////////////////////
Report submission			////////

**APPENDIX 4: BUDGET PLAN**

<b>ACTIVITY</b>	<b>TOTAL COST (Kshs)</b>
<b>Traveling</b>	750.00
<b>Stationery</b>	
Fieldwork note book	500.00
Fools caps	350.00
Typing papers	1,200.00
Pens	120.00
<b>Secretarial work</b>	
Typesetting	1,750.00
Printing	300.00
Photocopying	100.00
Binding	150
<b>Literature review and data processing</b>	2560.00
<b>TOTAL</b>	<b>7030.00</b>