Investigating Customer Service Excellence at Lakeside Spar

by

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Submitted in partial fulfilment of the requirements for the degree of

MAGISTER IN BUSINESS ADMINISTRATION

At the NMMU Business School

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November 2008
I, Warren Meyer, hereby declare that:

- the work in this research paper is my own original work;
- all sources used or referred to have been documented and recognised; and
- this dissertation has not been previously submitted in full or partial fulfilment of the requirements for an equivalent or higher qualification at any other recognised education institution.
Acknowledgements

I would like to thank God our Father, for giving me the strength and perseverance to complete this research study and for blessing me with His Grace.

I would also like to thank:
- my supervisor and promoter, Wendy Groenewald, for her guidance and support;
- Shawn Paulsen and the management and staff at Lakeside Spar for allowing me to conduct the research study of their organisation;
- my life group for all their prayers and constant encouragement;
- Robin Thomas, a good friend and a voice of encouragement;
- my sister, Eileen, who has been a source of help and encouragement;
- my family for giving me their love and support;
- my daughter, Gabrielle, who sacrificed her time with me so I could complete this research study; and lastly
- my wife, Candice, who has been my rock, my voice of reason, the person who encouraged me the most, my biggest fan, greatest supporter and my other half.
Abstract

Service delivery is critical to the customer’s perception of value and is core to the success of an organisation. Excellent customer service incorporates the critical aspects of: expedient service delivery; open and honest communication; individual, personalised service; engendering customer loyalty; problem-solving; under-promising and over-delivering; meeting and exceeding expectations; efficient use of infrastructure, systems and procedures to facilitate efficient operations and, in particular, effective use of knowledge management with a focus on customer lifecycle care (Kingstone, 2004, 2005; Zarbock, 2006).

Best-practice organisations now use Customer Relationship Management (CRM) programmes that are customer-centric based in order to ensure excellent customer service delivery. Recently, organisations such as Tesco and Nordstrom have adopted customer-centric CRM successfully, providing concrete proof that this CRM model is sustainable and that it produces the highly lucrative win-win benefits which organisations seek (Beasty, 2005; Hallberg, 2001:19; Gratehouse, 2002; Rowe, 2002).
Glossary

- **Continuous improvement**: an approach to improving performance which assumes more and smaller incremental improvement steps (Pycraft, Singh, Phihlela, Slack, Chambers, Harland, Harrison, & Johnston, 2002);

- **Connectivity**: the ability to communicate with another system or piece of hardware or software, or with an internet site (Encarta World English Dictionary);

- **Customer-centric**: the use of every touch-point to stimulate interest, close business, satisfy a need or demonstrate commitment to the customer relationship (Gianforte, 2005);

- **Customer expectations**: the customer’s perception of the quality of service (LeBoeuf, 1991) and value (Thompson, 2004);

- **Customer Experience Management**: managing customer interactions to build brand equity and long-term profitability (Thompson, 2006a);

- **Customer lifecycle care**: to ensure that every touch-point fulfils its value-potential, regardless of whether the interaction happens in marketing, sales or customer service (Gianforte, 2005);

- **Customer loyalty**: customer’s attitudes and behaviour relating to their perception of value at every touch-point where they feel welcome, important and valued (Thompson, 2004);

- **Customer Relationship Management (CRM)**: the maintenance of stability between sales and costs through: improved implementation of processes; boosting the customer experience to create customer loyalty; and increasing turnover through product and service differentiation (Kingstone, 2005);
• **Customer Service**: all the activities that create a bond between the organisations and their clients or customers (Blem, 1995);

• **Customerisation**: the combination of organisation’s operational and marketing efforts to customise products and services according to their customer’s individual needs and wants (Kotler, 2003);

• **Customisation**: to alter something in order to make it fit somebody’s requirements better (Encarta World English Dictionary);

• **Descriptive norm**: describes the behaviour of most people, and in so doing, provides the demands or consent for other individuals to do the same (Bernstein, Clarke-Stewart, Roy, Srull, & Wickens, 1994);

• **Digitalisation**: data or information that is transferred over networks which is converted from plain text to binary numbers (Kotler, 2003);

• **Disintermediation**: the elimination of intermediaries such as wholesalers or retailers in business transactions between producers and consumers (Encarta World English Dictionary);

• **HumanSigma**: focuses on reducing variability and improving performance through the employee-customer encounter by providing a consistent method for assessing it and a disciplined process for managing and improving it (Flade, 2006);

• **Industry convergence**: organized economic activity connected with the production, manufacture, or construction of a particular product or range of products coming together from different directions, especially a uniting or merging of groups or tendencies that were originally opposed or very different (Encarta World English Dictionary);

• **Injunctive norm**: provides a more detailed answer about the acceptance or disapproval of other individuals (Bernstein *et al.*, 1994);
• **Knowledge Management**: a set of practices that maximise the business value of knowledge by gathering, structuring and delivering knowledge at critical points of customer interaction (eGain, 2004);

• **"Moments of dissatisfaction"**: when the customer is treated badly by the organisation (Blem, 1995);

• **"Moments of pleasure"**: when an organisation exceeds its customers expectations (Blem, 1995);

• **"Moments of satisfaction"**: when an organisation meets its customers needs (Blem, 1995);

• **"Moments of Truth"**: when a customer comes into contact with any aspect of the organisation, however remote, and thereby has an opportunity to form an impression, it is a moment of truth (Blem, 1995);

• **Norms**: learned, socially based rules that prescribe what people should or should not do in various situations (Bernstein *et al.*, 1994);

• **RECOVSTAT**: an instrument that captures the six dimensions of service recovery, namely: communication; empowerment; feedback; atonement; explanation of the reason for the occurrence; and tangibles (Boshoff, Peelen, Hoogendoorn, & van der Kraan, 2005);

• **Reintermediation**: the addition of intermediaries such as wholesalers or retailers in business transactions between producers and consumers (Encarta World English Dictionary);

• **Respondent**: the individual customer who participated in the Spar survey;

• **Retail**: the industry dealing in the sale of goods and services;
• **Six Sigma:** refers to a quality improvement and business strategy concept. In statistical terms, 6-Sigma is the abbreviated form of 6 standard deviations from the mean, which mathematically translates to about 2 defects per billion (http://www.siliconfareast.com/6sigma.htm);

• **TARP:** the Technical Assistance Research Program;

• **Total quality management ("TQM"):** to ensure that an organisation provides quality products to keep its customers satisfied, in addition to, "reducing all the costs of quality, in particular failure costs". TQM is based on the belief that if the environment in the organisation is conducive to people doing quality work based on their ideas, it will foster an attitude of continuous improvement. This will not only allow managers to, "work in the system, but also on the system" (Timm, 2001:141);

• **Touch-point:** every interaction between an organisation and its customers.
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Chapter 1

Introduction

1.1. Problem Statement

Many retail organisations have realised that product and price are no longer the only differentiators between them. Delivering excellent customer service has become an integral part of what differentiates a successful retail organisation from the average “run-of-the-mill” business. If customer service is such an important aspect for organisational survival, then:

Why are so many retail organisations falling short of delivering excellent customer service?
How can retail organisations improve customer service excellence?

1.2. Background

South Africa’s retail sector is generally renowned for providing poor customer service. The author’s experience in retail management over the last fourteen years in South Africa has confirmed the concerns of various authors in this regard, such as Freemantle (1993) and Blem (1995), to name a few. Customers have become accustomed to long queues, dealing with rude “assistants”, inefficiency and staff apathy. Strangely, the result is that customers seldom complain or seek redress, but simply accept things the way they are, although begrudgingly.

As South Africa integrates into the international market, it is essential that local commerce recognises the importance of delivering top quality service. It is, after all, what can differentiate us “for better or for worse” in global commerce. South Africa, with its attractive exchange rate for foreign investment, fairly well established infrastructure and educated work force in the retail sector (in
relation to other emerging markets) has numerous attractions for global business investment. However, shoddy customer service is a substantial risk to South Africa's future in the retail world economy.

1.3. Literature Review

The need to conduct further research on how to deliver excellent customer service is pointed out by Freemantle (1993) where he states that the most common experience of service that customers have, is cold, unfriendly staff. Customers are frequently exposed to the inefficiency and disinterest of staff that fail to deliver on time and who make little effort to reduce waiting times or improve their response.

Freemantle (1993) found that many organisations profess, through their advertisements and publicity, to provide service *par excellence*, yet these same organisations fail to live up to their word. For many, the idea of customer service has become a superficial and fashionable phrase, which in practice, has little meaning and is used for aesthetics in an attempt to hide the cracks in the way the organisation treats its customers. He defines customer service as a concept that is applicable to all industries, organisations and their employees. He argues that it should be an integral and fundamental aspect of any business and must be given equal weight in strategic considerations about the organisation's future.

All organisations have a customer component attached to them. They all need to deliver a service, in one way or another, whether it is to an internal customer, for example, the employees or, an external customer, which is the general consumer. Customer service is applicable to all industries (Freemantle, 1993), but for the purposes of this research project, the investigation will be conducted within the retail sector.
1.4. Methodology

The overall aim of this research project is to investigate what customer service excellence is and how the various aspects relate to customer service satisfaction.

A literature review will be conducted to determine what customer service excellence is. The key issues from the literature review will be extracted and examined using a questionnaire, posed to a sample of customers with a view to providing a real example of excellent customer service in action.

Lakeside Spar was chosen as the subject of the research on customer service excellence, based on the fact that Lakeside Spar is a recently acquired franchise and since the change of ownership and management thereof, it has evolved into a substantially more profitable store than it was previously.

1.5. Objectives of the Research

The objective of this research study is to investigate whether Lakeside Spar delivers excellent customer service. The research study will:

- define what customer service excellence is;
- describe the aspects of customer service excellence;
- identify the tools that organisations need in order to succeed at delivering excellent customer service;
- identify best practice organisations that have set the benchmark in delivering excellent customer service;
- describe how knowledge management and employee training impacts on the infrastructure of organisations in the pursuit of delivering excellent customer service; and
- review the impact customer service excellence has to the commitment of goals and the strategic vision of organisations.
1.6. Delineation of the research

The research study investigated customer service excellence at Lakeside Spar. A customer questionnaire was developed and took the form of personal structured interviews, which measured consistency and validity. The questionnaire generated the necessary data needed to determine whether Lakeside Spar delivers excellent customer service.

1.7. Significance of the Research

The research aims to equip management and business owners in the retail sector with knowledge as to how to establish and maintain excellent customer service relationships. This, in turn, will contribute toward economic development and growth in the retail sector, therefore contributing to job creation.

1.8. Structure of the Research Study

The research study is structured as follows:

Chapter 1: Introduction
Chapter 2: Literature review
Chapter 3: Data analysis
Chapter 4: Data analysis of the empirical study
Chapter 5: Recommendations and conclusion.
1.9. Conclusion

The objective of the research is to investigate and provide a comprehensive study of how the retail sector can achieve customer service excellence, one of the critical contributing factors to the success of a retail business. The research paper seeks to examine the theoretical aspects of customer service excellence such as: quick service delivery; communication; the personal touch; complaint resolution; customer retention; creating moments of truth; exceeding customer expectations; good quality systems; follow-up and follow-through procedures; and delivery. It also provides some local and international practical examples of how organisations have achieved customer service excellence, such as SARS, Woolworths, Marks and Spencer, Nordstrom, Tesco, Walmart, Ritz Carlton, Hilton Hotels Corporation, and Singapore Airlines.
Chapter 2
Literature Review

2.1. Customer Service Defined

The authors cited in this work share a common view that customer service excellence is critical to the success of a business.

Blem (1995:6) defines customer service as all the activities that create a bond between the organisation and their clients or customers. Although he recognises that his definition is very broad, he argues that it is fully justified as all organisations, irrespective of the industry concerned, have a customer service component.

Freemantle (1993: XIII-XV) argues that customer service is applicable to all industries, organisations and their employees and that it should be an integral and fundamental aspect of any business and must be given equal weight in strategic considerations about an organisation's future. The concept of customer service is not new. He notes that many organisations profess, through their advertisements and publicity, to provide service *par excellence*, yet these same organisations fail to live up to their word. The idea of customer service has become a superficial and fashionable phrase, which, in practice, has little meaning in many cases. He says that, "*Customer service is the ultimate test. You can get everything else right in terms of product, price and marketing, but unless you complete the process with good customer service you run the risk of losing business or even going out of business*". His view is that customer service is not a concept that should only be applied to front-line people who are required to serve, for example, in shops, hotels, restaurants and airlines, but also to financial departments serving the organisation and to senior executives who must service their organisations with a high degree of leadership, support and direction.
Linton (1995: VII) believes that customer service excellence requires every employee, at every level, to be focused on customer needs, whether they deliver customer service or not. He states that for every manager, achieving customer service excellence must be a key objective as it ensures that day-to-day decisions, business processes and communication, are focused on customer’s real needs.

The authors all have various explanations as to what customer service excellence is, but they identify the following aspects in common: quick service delivery; positive communication; the personal touch; customer retention; turning complaints into opportunities; the creation of "moments of truth"; exceeding customer expectations; good quality systems; follow-up and follow through; and delivery (Blem, 1995; Brown, 1989; eGain, 2006; Freemantle, 1993; LeBoeuf, 1991; Linton, 1995; Mercer, 2003; Small Business Advice, 2006a; Tack, 1992; Thompson, 2004, 2006a; and Timm, 2001).

These aspects of customer service are discussed below.

2.2. "Why is service excellence so rare?"

Freemantle (1993) states that the most common experience of service that customers have, is of cold, unfriendly staff. Customers are frequently exposed to the inefficiency and disinterest of staff, that fail to deliver on time and who make little effort to reduce waiting times or improve their response.

This observation is further supported by Blem (1995:1-6) who states that the phrase, "the customer is king", has begun to have a hollow ring to it and points out that for any organisation to create and sustain long-term success, it would need to deliver quality customer service.
LeBoeuf (1991) asks the question, "Why is service excellence so rare?" and states that the three causes are:

1. employees do not know the basics of service and are sent out to perform their job function without a clear understanding of how to attract and retain the customer;
2. when the customer comes into contact with the organisation, the "moments of truth", which are discussed later in this paper, are not correctly identified and managed by employees; and
3. managers fail to reward employees when they deliver excellent customer service.

How then do we ensure customer service excellence? At the outset, we must understand what the essential components of service excellence are.

2.3. Aspects of Service Excellence

2.3.1. "Moments of Truth"

Thompson (2006a:2) states, "To manage customer experiences, you must first understand what customer experience means". He notes that many different definitions are given for "customer experience" but not all the experts he interviewed agreed that customer experience includes only interactions with, "an organisation, people, processes or systems". Other experts say, "It also includes interactions with the product".

Jan Carlzon (as cited in Blem, 1995:61; Brown, 1989:33; LeBoeuf, 1991:81; Payne, Christopher, Clark, & Peck, 1995:183; Thompson, 2006a:1), President of Scandinavian Airlines, devised the concept of the "moment of truth". He said, "We have 50 000 moments of truth out there every day".

Blem (1995:61-63) refers to Carlzon's "moment of truth", being when a customer encounters any aspect of the organisation, however remote, and thereby has an opportunity to form an impression. He takes Carlzon's theory a
step further and notes that if organisations treat their customers badly, it becomes a "moment of dissatisfaction". If the organisation meets its customer’s needs, it becomes a "moment of satisfaction", and if the organisation exceeds its customer’s expectations, it becomes a "moment of pleasure". He points out that for organisations to continually achieve levels of satisfaction with regard to service, the organisation must ensure that each "moment of truth", at the very least, results in a "moment of satisfaction".

In order for organisations to get it right at the "moments of truth" they need to possess a few attributes which set them apart (Blem, 1995; David, 2005; Freemantle, 1992; LeBoeuf, 1991; Mecer, 2003; Thompson, 2006a; Timm, 2001):

- organisations must have well-trained and helpful employees. Training provides the means to serve customers but being helpful is a large part of having the right attitude. Organisations must ensure that all their employees are equipped with as much knowledge as possible as this knowledge gives the employee confidence and the right attitude to deliver superior customer service at the "moment of truth";
- organisations and their employees must deliver excellent customer service. In order for organisations to build customer relationships, and in-turn customer loyalty, the organisation and its employees must take ownership of delivering excellent customer service. They must ensure that the needs, wants and expectations of their customers are completely satisfied as this "moment of satisfaction" aids in the generation of the "moment of truth" for the customer;
- customer’s expectations must be met with high quality goods and services. As organisations compete to create a competitive advantage, it is not the product or price which will be the only differentiator, but also the delivery of good customer service and service recovery;
- customers also enjoy friendly and caring staff who care about doing their jobs well and go out of their way to serve; and
- over and above achieving satisfaction at the "moment of truth" is the personal attention and reward for loyalty that customers must receive.
Customers want to feel special therefore they need to receive individual attention at the "moment of truth". Customer’s perceptions of value are an important aspect of loyalty when it comes to assessing the behaviour and attitudes of the organisation. Thus organisations should try to reward their loyal customers.

Blem (1995:63), Freemantle (1993:55), LeBoeuf (1991:85), and Thompson (2006a:11) all note that it is the little things that organisations do, that count. When organisations go out of their way to create memorable experiences for their customers, they indirectly create customer satisfaction, which might foster long-term customer patronage.

Freemantle (1993:54) argues that if organisations get the little details right, it will ensure that they get everything else right. When customers make judgments about the standard of an organisation’s service, it is these little details that will test whether the organisation has a caring attitude towards the customer or not.

eGain (1997-2001) comments that customer loyalty is the key to any organisation's long-term success, irrespective of the industry. If existing customers are familiar with the products and service of an organisation, its sales cycle is greatly reduced and little effort is needed to introduce new products to the organisation's existing customer base. Organisations must take advantage of every opportunity to ensure customer loyalty, as this not only strengthens their value position, but also provides them with an opportunity to receive a good reference base from existing customers.

As customers are given a larger choice of rival products and services, the only way organisations can broaden this gap is to ensure that they invest time and money in customer service to reflect their own passions and commitment (Freemantle, 1993:90-91). David (2005:92-95) comments that:

"The strategies pursued by a firm can only be successful to the extent that they provide a competitive advantage over the strategies pursued by rival firms".
2.3.2. Assessing Customers Needs

Customers needs are very specific (Katz, 1988:18) and if organisations do not address these changing needs, it will result in dissatisfaction and lost opportunities (David, 2005:92-95).

David (2005:92-95) points out that if organisations do not actively pursue methods to identify and address their customers changing needs, their customers will start to experience dissatisfaction and most likely, "switch to competitive products and services".

Katz (1988:18) says that customer’s expectations or the needs of customers requiring service are specific. He says that customers require help or information, experience equipment malfunction, or may have run out of supplies. The way in which the organisation responds to these situations will determine in which category the customer will fall: delighted, satisfied, or dissatisfied.

eGain Communications Proprietary Information (1997-2001) says that because of the rise in demand to get everything completed on time, customers expectations have increased, thus organisations should be more focussed on customer satisfaction i.e. meeting customer demands on time. They point out that the less fragmented the customer data is, the better the organisation can communicate answers to customer queries without having to transfer the customer between different departments.

LeBoeuf (1991:65-66) points out that before an organisation moves towards improving its rewards to customers, it would need to find out its customers “likes and dislikes” about the organisation. He argues that organisations should ask their customers the "platinum" questions, "How are we doing?" and, "How can we do better?"

He states that the answers which the organisation receives will be a good indication of, "how customers perceive the organisation's quality of service", and "what the organisation needs to do in order to increase that perception". If the
organisation continually increases that perception, in the long-term, the organisation will benefit by experiencing customer loyalty, notwithstanding that the organisation will enjoy increased profits.

In contrast to asking the "platinum" questions, LeBoeuf (1991:66) argues, that some organisations adopt the "Ostrich Syndrome" in which they do not bother to find out from their customers what their performance is like or whether they are able to improve it and how. He notes that organisations, which suffer the "Ostrich Syndrome", are continually losing repeat business and long-term profitability and that "this brand of ignorance", "burying its head in the sand and hoping for the best" is detrimental to the organisation, and could ultimately lead to economic suicide.

LeBoeuf (1991:66-72) adds that because most of these organisations are, "burying their heads in the sand," and are not monitoring what their customers "likes" and "dislikes" are, they are not only losing their customers, but market share as well. He says that organisations can measure their service quality and suggests a few methods on how the organisation can achieve this. He argues that organisations should, "construct a brief written survey questionnaire", and conduct a survey. He notes that it is most likely that the organisation will not be able to question every customer, thus a random sample should be chosen of long-term customers and a separate sample of first-time customers. He points out that this survey should also include ex-customers, as this will give the organisation an indication as to the reasons they left and offer the organisation an opportunity to, "get them back". He says that after the organisation has received feedback on the survey, it should, "put it to work", by, "capitalising on perceived strengths and correcting perceived weaknesses", and continue to ask and improve.

Timm (2001:29) states that in order for organisations to earn their customers loyalty and to turn them into "raving fans" the organisation would need to eliminate customer "turn-offs". He argues that the best way for an organisation to do this is to put itself in the place of the customer and then to objectively
assess the manner in which they are treated. Ways to collect data, as noted by Timm (2001:29), could be by means of, "active listening skills, explorer groups, mystery shoppers, focus groups and feedback forums".

Furthermore, Blem (1995:18-22) points out a few characteristics that organisations possess when they invest in customer satisfaction. He comments that in order for successful companies to understand their customer’s wants and expectations, they normally spend vast amounts of time and money to identify exactly what it is that their customers want.

Such organisations (Blem, 1995:18-22):

- encourage every member of staff to be involved in trying to understand their customers; learn how to satisfy their customers needs;
- continually monitor their customers perceptions in relation to their products performance as they feel it is essential to create the right expectations;
- strive to under-promise and over-deliver thereby creating customer satisfaction at every "moment of truth"; and
- understand how important the supply chain is, therefore great effort is put into selecting and training the right intermediaries.

Blem (1995:18-22) comments that such organisations design their products and services to meet the needs of the most demanding customer, thereby minimising the number of customers that are dissatisfied. He says that customer-focussed organisations are completely committed to meeting their customer’s needs, as promised, irrespective of the cost incurred. These organisations constantly try to prove to their customers and employees that their commitment is steadfast and that every slogan, as advertised, means exactly what it says. Not only do employees of these organisations display a down-to-earth attitude, but also display self-assurance when promises are made to their customers. The customer-focussed organisation understands that without the customer, it does not have a business. Therefore, every effort is made to keep customers satisfied.
2.3.3. High Quality Service

LeBoeuf (1991:75-78) states that, “customers judge the quality of service”, received by an organisation on five factors: “reliability, credibility, appearance, responsiveness, and empathy”. He concludes that customers want:

- service they can depend on;
- the security, integrity and assurance that if any problems arise, they will be handled promptly, at no extra cost;
- to be attracted to the culture of the organisation;
- the organisation to be accessible, available and willing to help; and
- to be treated as a special individual.

Timm (2001:28-37) argues, that the customer’s awareness of service engenders loyalty toward the organisation. He points out that this should be an, "instant part of the organisation's operating philosophy", and therefore should be the, "very essence of the business".

Betsy Sanders (as cited in Timm, 2001:28), a Nordstrom executive says:

"As long as you seek to add an extra dynamic to your business (like time, energy and resources) to isolate service as some special program, the results will be disappointing. This dynamic develops when you accept service as the underpinning of your enterprise, believing that, without your customers, you would not exist".

Timm (2001:29) argues that the loyalty of the customer can be lost to the organisation because of "undistinguished service" and points out that part of the reason why customers feel this way is the fact that the organisation has not made enough of an impression for the customer to even think about it, let alone share this with others. He says that:

"Customers are quick to see the depth of a company's commitment to service and, the organisation that distinguishes itself in the eyes of the customer is rare".
Reichheld (as cited in Thompson, 2004:3) studied customer loyalty and concluded that customer’s attitudes and loyalty are driven by their perception of value.

Jim Barnes (as cited in Thompson, 2004:3) states that:

"Value is created every time a customer is made to feel welcome, important and valued".

Loyal customers are hard to acquire and if they are not treated in an acceptable manner, they will eventually stop doing business with the organisation. Organisations should actively listen to their customers and ensure that their customer’s experiences are memorable, thus creating "moments of truth" (Blem, 1995:61-63; Freemantle, 1993:55; LeBoeuf, 1991:85; Thompson, 2006a:2-11).

When management commits to making service excellence a way of doing business, it indicates manager’s loyalty to continued improvement (Blem, 1995:98). Thus, management has to follow through and develop high levels of service quality and productivity without forgetting that there must be complete involvement and commitment from all employees of the organisation (Blem, 1995:89). In assessing the continuous measurement of service quality and productivity, managers must be in touch with their employees at all times. This is achieved by, "encouraging the implementation of customer care", identifying problem areas and receiving feedback from employees on methods for improvement. If managers reward employee’s efforts, employees will feel appreciated and encouraged and thus will not resort to counter-productive actions (Blem, 1995:90).
2.3.4. A Positive Attitude

As customers assess individual behaviours, they also assess the organisation's "behaviours and attitudes". The attitude of the organisation, as perceived by the customer, can determine customer satisfaction and loyalty. For this reason, employees of the organisation should ensure that they make a lasting, positive impression on the customer (Timm, 2001:107–113).

LeBoeuf (1991:35) argues, "The greatest customer you will ever win is you". He points out that words can be refused but that a positive attitude, which springs from a sincere belief, cannot. He argues that the two basic reasons why people are persuaded more by attitude than by logic, is that people are ruled by emotions and these emotions are contagious. He states that nearly all our choices are based on how we feel about a situation and we then try to justify those emotional choices to ourselves with logic. He says that persuasion, in the final analysis, is not about changing people to your way of thinking, it is about changing people to your way of feeling and to your behaviour.

Damasio (1999:53-55) further supports the statements made by LeBoeuf (1991:35) where he comments that the biological core that underlies emotions are twofold.

 "The first function is the production of a specific reaction to the inducing situation". The second function is “the regulation of the internal states of the organism such that it can be prepared for the specific reaction”.

Therefore, the perception of ourselves as well as of the world is the understanding that our “freedom is always interwoven with other people in a network of relationships” (Langer, 1989).

How then should organisations relate to their customers?

Timm (2001:95) says that to customers, it is the little things that count. As employees and organisations recognise these little things, they will start to see the opportunities in each. He lists certain behaviours that employees and organisations should adopt in order to deliver effective customer service. He
points out that when customers are greeted like guests and conversation is promptly initiated, the customers stress is reduced because they no longer feel like they are in unfamiliar territory. He argues that by greeting your customers promptly, you secure customer commitment and psychologically, the customer feels that they have "placed the order". According to Sternberg (2001:433), this psychological reaction is a situational attribution, which causes external influences to affect human behaviour.

Freemantle (1993:20) says that one percent of customers always behave in the most atrocious way and expect front-line staff to deliver the impossible. However, he notes that this is not representative of the other ninety-nine percent of customers, who are both tolerant and reasonable and who expect to be treated in a caring fashion, but are frequently not. He comments that even the difficult one percent of customers can become reasonable if they are handled sensitively and courteously. He points out that the simple things in life: a warm smile, a friendly word, a genuine display of interest and a sensitive glance, are reflected in positive employee attitudes. He says that it is these little courtesies of life that have a magical effect on customers, and yet, there is nothing magical about them.

With a warm smile and real initiative taken by front-line staff, Freemantle (1993:20-21) argues that the inefficiency of a defective support organisation can be forgiven by a customer, provided that it also takes positive action to rectify the mistakes and treat the customer with sincere compassion, heart-felt interest and decent accord. He says that although it does not take much to please most customers, on the other hand, it takes a lot to alienate a customer. He is astounded by just how few organisations recognise this quality of positive attitude and therefore fail to encourage such attitudes. If an organisation wants to test its customer service, he says all it needs to do is to ask its customers how they feel about the front-line staff and the attitudes that they display.

Timm (2001:96-99) states that in retail stores there are two types of customers, the browser, and the focussed shopper. He says that the way to break the ice
and initiate a conversation depends on what the customer's needs are. He says that most customers often want to "get the feel of the place" first, before they buy. Therefore, employees must be attentive to the customer's needs and give them time to browse, but when the customer is ready to buy, they must be responsive in helping the customer make a buying decision. He notes that people should compliment freely and sincerely as this helps to create a supportive and pleasant working environment. Employees should try to find out their customer's names as this assists relationship building between the organisation and its customer. Another tactic is to establish eye contact with the customer as this conveys the message that you are willing to serve them. He points out that when establishing eye contact, employees must be sensitive to the way they look at customers as this can convey various messages such as intimacy, intimidation or involvement. He says that looking at people for a period of five to ten seconds before looking away, is generally comfortable for most people.

To be more receptive, Timm (2001:99-100) comments that organisations should ask their customers as many questions as possible and be open to the comments and criticisms given. This, in turn, will help them identify any shortfalls in the service chain as well as give the organisation the opportunity to rectify these shortfalls. Of importance is also giving the customer a listening ear. This action helps to identify what the customer is asking for, as well as gives the recipient understanding of the problem so that the organisation can provide efficient remedies or solutions to the problem or request. He states that giving reassurance to the customer is vital as most often, customers experience buyer's remorse. Because our eyes reflect our emotions, the individual should smile with their eyes and mouth as this indicates gladness that the customer has arrived.

Timm (2001:104-105) argues that physical touch must be administered in an appropriate manner. He acknowledges that because the sense of touch is such a powerful communicator, if it is not handled appropriately among internal customers and co-workers, it could be misconstrued as being overly intimate or
having sexual overtones. He notes that among customers, shaking hands or a pat on the back (if appropriate) can increase the customer's sense of satisfaction. Whether it is "selling" other people, the organisation or its products or services, selling is about attitude but also requires some professional skills. As he points out, "Everyone is in sales to some degree".

When organisations communicate with their customers by telephone, telephone etiquette is essential. The employee must project their emotions as part of the conversation because the customer cannot see the employee and cannot read the employee's body language, which is a critical part of communication. Timm (2001:102) says that the attitude of employees must be reflected in the way they respond to customers and he points out that the change in tone, rate at which the employee speaks and loudness of voice must be expressive as this holds the attention of the customer. The employee must keep his or her customer informed of his or her movements while looking up information for the customer, as this keeps the customer committed and eliminates silence between the caller and the organisation.

Obarski (2006) says that in order for an organisation to maintain a triple "A" rating, it must look at the attitude that its employees display. The attitude of an employee can either have a positive or negative effect on the customer. Employees should always be aware of their surroundings as customers might be watching without their knowledge and will form their own opinions. The employee should smile at customers, make eye contact with them, greet them like guests and be a good audience for them. By listening attentively to every word that is being said by the customer, the employee satisfies customer's needs to be heard. By having a positive attitude, being aware of customers and actively listening to customers needs, organisations will have the assurance of customer satisfaction. It is imperative that managers and employees are able to provide the same high standards of service.
2.3.5. Quick Service Delivery

When customers want service, they want it fast and the manner in which the organisation responds to these demands, will either enhance or diminish the service experience (eGain Communications Proprietary Information, 1997-2001).

The effectiveness of service delivery is fundamental to the service experience. Ideally the organisation should address the service need with a minimum number of interactions between the customer and staff through various media to enhance efficiency. For example, if a customer is seeking self-service over the internet, they should be able to obtain that service easily, without having to interact with the organisation's representatives and without having to switch to a telephone to make a call instead (eGain Communications Proprietary Information, 1997-2001).

Small Business Advice (2006a) substantiates the point that, in most cases, it is speed of delivery that can create a competitive advantage for organisations. Some customers are prepared to pay a premium if the organisation can deliver quality products or services in an exceptionally short space of time.

Linton (1991:86-87) notes that customers expect a reasonably prompt response when they make enquiries, therefore managers should establish time standards and identify critical processes for different activities as this ensures that enquiries are handled efficiently.

Timm (2001:78) asks the question, "How can organisations exceed their customers expectations with regard to speed of service?", and states that the answer lies in repeated research of customer turn-offs where, across all types of businesses, people want timely responses because of their dislike of having to wait for products or services.

Paco Underhill (as cited in Timm, 2001) believes that shoppers, who are made to wait too long, lose any good impression of the overall service. He notes that
the single, most important factor in customer satisfaction is the duration of the waiting time.

A more time-specific explanation to certain aspects is given by Freemantle (1993:7-8) who states that all customers have thresholds, which may vary from customer to customer. He says that when a customer waits beyond five seconds for a call to be answered, or if the call is lost due to repeated dialling because of an engaged line, it diminishes the credibility and the goodwill of the organisation and will eventually result in lost business. He bases this notion of the "five second response" on organisations that really strive to deliver incredible customer service and states that they might, as a prime standard, set a five-second response time to calls. He points out that this standard is applicable to all organisations and must apply to every telephone in the establishment. He says that too often, customers receive a quick, effective response when calling the organisation, only to be disappointed by an internal telephone that rings forever when the call is transferred by the switchboard.

Freemantle (1993:11–12) points out that, to add to the incredible customer service experience, documentary responses must be provided to the customer within two days. He notes that although many documents do not require responses, many do. He points out that if any further action is required beyond the two days, due to the investigation of a complaint or researching the particular enquiry, a final completion date should be given to the customer. He states that if this simple standard is achieved, it will reduce the need for customers to raise issues, thereby reducing wasted time for staff that will be distracted by having to look into these issues. Other than ensuring a time period response, the quality of the response is equally important and must be of the highest possible standard.

He argues that immediate action must be taken to redress any product defect or shortfall in service to the customer. This swift action must be without hesitation. He notes that most customers will tolerate a mistake if it is admitted honestly and openly and early action is taken by the organisation to address the
problem. If an organisation hesitates to address a problem with a customer, a critical alienation will occur and will diminish the service experience. Conversely, swift reparation by an organisation can produce a perception of a high standard of customer service, thereby diminishing the initial problem of the customer. He notes that there are a number of reasons why customer's experience "drags" when it comes to solving their problems. The "drag" can be due to front-line staff lacking initiative and other essential skills, having insufficient power delegated to them because of bureaucratic and financial constraints, not trusting the customer, and due to poor staff management. He argues that the moment this "drag" begins, the customer will question the organisation's intent and thus become cynical about the purchase. He states that staff training is the key to providing incredible customer service because this will empower staff to take action to try to solve any problems that the customer may experience (Freemantle, 1993:36-37).

2.3.6. Honesty is the best policy – Open Communication

Organisations must be completely open and honest in their communication with their customers. Freemantle (1993:29) highlights that it is the positive points of a product or service that sell them. It is logical to portray the product or service in its best possible light, in spite of the circumstances. Conversely, he says it would be completely illogical to mention a product's weaknesses or shortcomings to the customer during a sales pitch. Therefore, a lack of openness is bred into the system of buying and selling.

Freemantle (1993:24) states that when things go wrong, whatever the circumstance, organisations must inform their customers when the service promise cannot be kept. He says that the proactive communication test is one which many organisations fail and argues that an organisation can indirectly create goodwill if it contacts its customers about problems before the customers find out about them by other means. He points out that by contacting the customer and explaining the problem the organisation can keep control of the situation and prevent potentially damaging side effects. If customers are
informed of problems, they may forgive the delay, the shortfall or the error, but will be unforgiving if they discover that there was a problem and that they were not informed about it at all. He says that in an age of modern communication, there is no excuse for a failure to communicate with the customer when things go wrong and argues that staff should take the initiative to communicate with the customer, even when things are going right, as this fosters goodwill.

Freemantle (1993:29) points out that if you are open and honest with the customer, you do not have to provide value judgments and only have to report the facts. In selling a product, he states that it is essential that sales people clearly present the after-sales service that will be available as well as mention any restrictions that are applicable to the product or service. This is the type of open service that customers expect. He says that honesty and openness also relate to those details of customer service, such as a promise to return a call or to deliver within a few days. Thus, honesty and openness should permeate every facet of customer service.

Customers find reassurance in an organisation if they are kept informed of the process of an urgent delivery or if they are waiting for a customer call. It indicates that the organisation demonstrates a high level of customer care, which adds value to the service experience (Linton 1995:86-87).

To ensure the quality of day-to-day contact, Linton (1995:125) argues that it is important for every team member to be committed to:

- dealing with every customer in a courteous manner;
- handle enquiries promptly and efficiently;
- respond within set time scales;
- keep other members of the team informed and update them on any problems or delays; and
- keep the customer informed at all times on the progress of enquiries and orders.
2.3.7. Turning Obstacles into Stepping Stones

There is great value in receiving complaints from customers as it informs the organisation about what it is doing wrong and how it can improve. Loyalty is fostered through the resolution of complaints. If customers are not treated in an acceptable manner, this could have negative effects for business (Katz, 1988; Linton, 1995; Mecer, 2003; Timm, 2001).

Mecer (2003:92) defines a complaint as, "an expression of dissatisfaction that requires a response ". Linton (1995:139) says that if organisations seek out and identify their customer complaints, not only will this help the organisation highlight specific weaknesses in the service chain, but it will help to identify areas in which the organisation needs to improve.

Linton (1995:146) states that if organisations have a positive attitude towards complaints, the organisation will be rewarded for its commitment to settling the complaint without any problems. This reward would be in the form of customer loyalty. Timm (2001:44) supports this statement. He argues that by maintaining a positive attitude and accepting the challenge, organisations are given opportunities to cement their relationships with their customers. LeBoeuf (1991:134) argues that greater customer loyalty can be created if complaints are settled with fast, positive action, but an adverse effect may be created if the complaint is mishandled. Not only might this equate to losing a customer, but it might also tarnish the reputation of the organisation.

Blem (1995:139) and Mecer (2003:95) point out that between 70 percent and 90 percent of dissatisfied and unhappy customers never contact management to voice their dissatisfaction. A few reasons why there is such a large percentage of dissatisfied customers who never complain, as Blem (1995:139) and Mecer (2003:96) argue, are:

- most customers feel that if they complain about a specific aspect it will not do any good;
• "some customers do not know how to go about lodging the complaint", thus when the customer enquires, the feedback from the system causes them frustration; and
• the customer experiences a fear of retribution, encounters rude staff, or feels that that the organisation is not taking any notice of them.

Timm (2001:45) states that organisations must learn to develop their recovery skills. He points out that when organisations do not experience customer problems, customer service is fairly easy. The negative ripple effects caused by even one unhappy customer are often underestimated by employees therefore, they would need to learn to develop their recovery skills. He points out that the first step to recovery is that the organisation must feel the customer’s pain. The organisation must understand the customer’s problem, listen to their concerns, share in their sense of urgency and try to prevent any further inconvenience. This must be handled with respect and empathy for the customer and finally, "assure that the problem will not happen again".

Trying to do all you can to resolve the problem, is the next step to recovery. He points out that when an organisation attempts to recover an unhappy customer, it needs to look for ways to resolve the problem quickly and offer the customer something extra for the inconvenience caused. It would need to go beyond the point of reconciliation and offer the customer "symbolic atonement". This could be achieved in various ways such as reimbursing customers for extra costs incurred in the return of faulty products, offering to collect and deliver repaired or replacement products or giving a free gift for inconvenience caused (Timm, 2001:45-46).

Boshoff, Reden, Hoogendoorn and Van der Kraan (2005:05-03) investigate a "differential approach to service recovery". They attempt to assess how the different dimensions of service recovery influence a customer's satisfaction and repurchase intentions. The Technical Assistance Research Program (TARP) (as cited in Timm, 2001:45 and Boshoff et al., 2005:3) estimates that approximately one in every four products purchased has the resulting effect of
some form of customer problem experience, thus to retain the customer and avoid negative word-of-mouth, the handling and resolution of problems have become an important activity for organisations.

Boshoff et al. (2005:3-7) developed a measuring instrument known as RECOVSTAT. This instrument captured, "six dimensions of service recovery", which are: communication, empowerment, feedback, atonement, explanation of the reason for the occurrence; and tangibles. Because RECOVSTAT did not contain a separate "time dimension", they adopted the "feedback" dimension, termed it “timely feedback”, and adapted the "atonement" dimension into "apology" and "compensation". They conclude that although numerous studies have been conducted in the last few years on the issue of service recovery, "the evaluation of service recovery efforts for different categories of complaints for different types of consumers", still lacks understanding. Their study suggests guidelines to help organisations to adopt an efficient and effective approach in the formulation of the service recovery program, thereby helping improve satisfaction with service recoveries.

The basic rules of dealing with customer complaints as noted by Katz (1988:165-67), LeBoeuf (1991:133-34), Mecer (2003:98-108), and Tack (1992) are:

- listen, sympathise, establish the reason why the customer is angry;
- take action and resolve the customer's problem;
- give them your name and commitment that the problem will be resolved;
- if any scheduled delay, follow up the action; and
- if customers stay angry, call on management to resolve the problem.

2.3.8. Follow-up and follow through

To keep customers, organisations must remain in contact with them. This could be achieved through various means, such as: by telephone, fax, email, letter, customer survey, customer questionnaire, focus groups, feedback forms, mystery shoppers and active listening (Linton, 1995; Timm, 2001). The
customer experience is vital as this "moment of truth" will be judged by the customer (Blem, 1995; Katz, 1988; LeBoeuf, 1991). When employees follow up with their customers, it creates a relationship built on trust between the employee and the customer (Timm, 2001:102) as well as strengthens the organisation's value position (eGain Communications Proprietary Information, 1997-2001).

2.3.9. Exceeding Customers Expectations

Customer’s expectations and customer loyalty work hand-in-hand with each other. Customer’s expectations regarding service are specific. They either require help or information, or they have experienced equipment malfunction, or they might have run out of supplies, and the way an organisation responds to these expectations will determine in which category that customer will fall – delighted, satisfied or dissatisfied (Katz, 1988:18).

Parasuraman, Zeithaml, and Berry (as cited in Payne et al., 1995:183-184) researched the problems experienced when it came to measuring service performance. They note the importance the customer’s perception has for the service outcome and state that the service performance measurement of the organisation should meet the expectations of the customer. If these expectations cannot be met, the organisation will experience a service quality gap. They note that there are four other gaps:

- customer expectations compared to management perceptions;
- management perceptions compared to service quality specifications;
- service quality specifications compared to actual service delivery; and
- actual service delivery compared to external communication;

that determine the overall gap amid expectations and perceived performance.

Reichheld (as cited in Thompson, 2004:3) concludes that the attitude and behaviour of customer’s loyalty is driven by their perception of value. LeBoeuf (1991:75-78) notes that customers judge the quality of customer service on five factors: reliability, credibility, appearance, responsiveness, and empathy.
Thompson (2004:5) points out that a customer's view of value is when there is a win-win relationship and notes that the common phrases used by customers to describe loyal relationships are, "easy to do business with", "responsive and proactive", "service and value just for me", "consistent performance over time", "they ask me questions" and "great expertise." Gerald Zaltman (as cited in Thompson, 2004:5) also found in his research on consumer behaviour that similar phrases emerge, in which customers said, "I want it to be easy, pain-free", and "they want to take care of their customers", and "I like the teamwork and co-operation".

Timm (2001:67) says that to understand why customers do what they do, we need to look at the basic psychological level and understand that people are rational beings so they are, "motivated to act in a particular way because they either expect to achieve a gain or avoid a loss".

Sternberg (2001:400) comments that cognitive factors affecting motivation are either "intrinsic" or "extrinsic" in nature and points out that "intrinsic" motivators are rewards within an individual, such as the desire to satisfy one’s curiosity whereas, “extrinsic” motivators are rewards from outside the motivated individual, such as diplomas or degrees. Thus, individuals can act on the basis of “intrinsic” reasons, “extrinsic” reasons, or a combination of the two.

This is further supported by Bernstein, Clarke-Stewart, Roy, Srull, and Wickens (1994:639-640) who comment that social behaviour and group influences affect social norms in a “descriptive” and “injunctive” manner. They note that a “descriptive” norm describes the behaviour of most people, and in so doing, provide the demands or consent for other individuals to do the same. Consequently, an “injunctive” norm provides a more detailed answer about the acceptance or disapproval of other individuals.

Blem (1995:27-28) argues that to maximise customer satisfaction, the idea of a good product or service can be described in the concept of total economic value, which relates to value-in-purchase, value-in-use, and value-in-disposal.
He explains that the degree of satisfaction, which the customer expects in the value-in-purchase, is based on factors such as product design and style, and communication and atmosphere associated with the product. Value-in-use relates to the customer's satisfaction of how well the product or services work and the balance between user-friendliness, performance and quality. Once the product has been used, the value-in-disposal depends upon design, residual or salvage value and the systems to retrieve the salvage value.

Timm (2001:69) explains that customer's expectations differ from business-to-business expectations, for example, if customers shop at a low cost, self-service, discount store, their expectations would not necessarily be the same as if they shop at a full service department store or exclusive boutique. He argues that although customers have different expectations, exceeding these expectations is the key to customer satisfaction and a motivator for the customer to return. Thus, the total cost of ownership is the customer's perception of value (Thompson, 2004).

LeBoeuf (1991:51-58) asks why organisations like Tesco, Nordstrom, IBM, HSBC, Disney, Ritz Carlton, Hilton, Singapore Airlines and Delta have such an excellent customer service image and explains that their differentiator is their customer relationships. These organisations have learned the subtle art of reminding their customers that they give great service. They say that, "it's not the quality of service that you give but the quality of service that the customer perceives that causes him to buy and come back". He points out that what the customer perceives is reality to him, and when it comes to organisations wanting to win and keep customers, "It's the customer's perception of the quality of service that determines how successful your business will be".

LeBoeuf (1991:53-58) states that every organisation has a certain positive image it wants to maintain and in order to do so, it takes many hours of planning, hard work and determination to ensure consistency in service delivery. He states that in order for organisations to project a high-quality service image in the eyes of the customer, they must:
develop a "customer profile" which will give them a better understanding of the type of customer they would like to win and keep;

- view the organisation through the eyes of their customers, thus evaluating the organisation's appearance, facilities, communication and "moments of truth", because as mentioned previously, "what the customer perceives, is reality to them";

- not over-promise and under-deliver, therefore they should build a buffer into promises made so as to ensure that if anything goes wrong, the organisation will still exceed the customers expectations;

- continually endeavour to use problems given to them by their customers as opportunities to demonstrate their high-quality service so as to ensure that the quality of service given to the customer is judged positively by the customer who looks at two things in the process, "how well you deliver what you promise", and "how you handle exceptions and problems";

- "develop a unique relationship with their customers and treat each one as someone special", because customers have individual needs and like individual attention. He states that, "customers, like hearts, go where they are appreciated";

- "keep in touch" with their customers and "keep them informed" on a regular basis, as this will not only increase the "perception of value" for the customer but it will also keep them informed about the "good service you want to give"; and

- "remember that a large part of good service is showbiz". Organisations should ensure that they make their customers feel comfortable and good about the organisation in as many ways as possible.

These points as mentioned above are further supported by Applebaum (2001:3-8) where he states that, customers will continue to reward an organisation with their business if they are inspired by both rational loyalty and emotional attachment. He notes that customers experience an emotional aspect when they interact with a brand and comments that, if customers receive less that expected, they are unlikely to have the self-assurance in the organisation.
Therefore, the belief in the integrity of a brand is reinforced when a customer feels that they are dealing with an organisation that is not only competent and direct but also fair and ethical.

Customers always tend to remember the first and last impression (Small Business Advice, 2006b). How your customer knows you is what matters most, therefore, “the success of any business is the perceived overall value that customers think they are getting” (LeBoeuf, 1991).

2.3.10. Continuous Evaluation and Improvement

Freemantle (1993:32) says that the system used to provide service to the customer should always work. Although organisations continually try to ensure that system failures do not occur, on the odd occasion, they do.

Brian Mess (as cited in Tack, 1992:113-114), chairman of NuAire Limited, says that if organisations are serious about their customer care, in order to exceed expectations, they must eliminate mistakes and problems at the source. He says organisations should continually strive to improve their quality of product and service as this directly impacts how well the product or service satisfies the expected need of the customer.

Timm (2001:140) argues that because the expectations of customers change on such a regular basis, these expectations "raise the bar" for organisations to deliver better service. He says that what might be seen today as a great idea, will soon become an expected "norm".

Freemantle (1993:123) says that constant improvement and unlimited opportunity are identical in meaning and that organisations must not become content with their current service delivery, but must continue to raise the current levels of service to generate better customer satisfaction for the future. He points out that if organisations fall short in trying to improve customer service, the resultant effect will produce disinterested staff, more happy with the “status
quo” than the excitement of progress. He comments that the pursuit of improvement should motivate staff as it gives every person in the organisation an opportunity to: be creative; aid in the generation of new ideas and initiatives; and leave, "with the knowledge that today's customer was even more satisfied than yesterday's".

The philosophy of total quality management (TQM) as outlined by Timm (2001:141) and Pycraft et al. (2002:736) is based on the premise that every part of the organisation and every person is responsible for quality. "TQM" is the culmination of two objectives:

- the first aim of "TQM" is to ensure that the organisation provides quality products to keep its customers satisfied, in addition to, "reducing all the costs of quality, in particular failure costs"; and
- the second aim of "TQM" is based on the belief that if the environment in the organisation is conducive to people doing quality work based on their ideas, it will foster an attitude of continuous improvement. This will not only allow managers to, "work in the system, but also on the system".

TQM is the by-product of Total Quality Control as it relates to the meeting of customer’s expectations, which involves every aspect of the organisation, including every employee. It is concerned with all quality-related costs, based on the need to ensure that things are done right the first time around. This also encompasses the development of systems and procedures to aid quality and the process of continuous improvement (Pycraft et al., 2002:736).

In order for managers to make the necessary changes to improve organisational systems, the organisation should encourage an environment that promotes quality. The managers of organisations should promote total quality management as a vehicle, which not only empowers employees to do quality work but also supplies its employees with quality products with which to work. Employee empowerment is vital to the process of total quality management because it will not work effectively without their involvement. Managers should therefore actively listen to suggestions made by their employees and provide
them with the necessary training on how to support, assist, and implement system changes to aid in the process of continuous improvement. He says that the use of statistical data is vital when it comes to gathering information about the quality of a product (Timm, 2001:142-143).

Most organisations continuously monitor levels of quality items being produced and rely on this data to identify and eliminate low-quality items. Total quality management, with the use of statistical data, helps the organisation to recognise problems as they are happening in the production process and aids in solving these problems via focus groups, thus avoiding any blame being assigned to an individual or a department and supporting interactive discussion. In order for barriers of communication to break down, people must feel comfortable. Managers should therefore support and encourage interactive discussions between individuals and departments and emphasise the importance of teamwork. Not only does this eliminate individual competition but promotes unity and change (Timm, 2001:142-143).

Peter Flade (2006:1-5) says that quality improvement methodologies such as Six Sigma, cannot really measure the employee-customer encounter. In the manufacturing industry, where the components are fairly predictable and constant, Six Sigma is a very useful tool to determine results through analysis and data, but if it is applied to the volatile human dimension, its measurement is unpredictable. He explains that Human Sigma is the tool that measures the quality of the employee-customer encounter and provides a process for managing and improving it. He says that not only does this tool reduce the variability of the volatile human dimension, but also improves overall performance. He says that the decisions that people make are driven by emotion and reason.

The research done by Gallup Management shows that rational, satisfied and dissatisfied customers behave in exactly the same way. Human Sigma measures and assesses customer’s engagement by combining traditional aspects of customer loyalty, such as overall satisfaction, likelihood to
repurchase and likelihood to recommend, with an assessment of the emotional commitment of the customer. For Human Sigma to be an effective tool, it must be implemented from a local base. The customer experience will be different at every location. Not only are customers’ expectations different at every location, but there is a different organisational culture at each of these locations. If the "organisation wants to reduce the variability in local people processes", it should be the responsibility of each unit to identify and correct the problems they might experience. In order for Human Sigma to be deployed by organisations, management would need to adopt an holistic approach to the employee-customer relationship. Not only must the responsibility of this relationship be centralised, it also needs a person to champion this endeavour. It is the responsibility of management to be accountable for all quality and financial returns, therefore, they would need to be consistent in their agreement as to what type of behaviour is "acceptable". Organisations should review all their systems if they would like to implement Human Sigma and this responsibility should rest at the local manager level as well (Flade, 2006:1-5).

### 2.3.11. After-Sales Service/Loyalty Programmes

The points made by Timm (2001:28-36) reaffirm Linton's (1995:127) view, wherein he states that, "Customers who stay with a company can provide long-term stability". Linton (1995:127-128) says that for organisations to build and retain customer loyalty, they need to ensure that the organisation has loyalty and retention programs in place. He not only views these retention programs as an enhancement to customer service, but these retention programs also serve as a medium for data collection. He notes that there are a number of ways that an organisation can follow up on sales quickly and reinforce the customer’s commitment. He points out that individuals in an organisation could either, "make a courtesy call, send a letter, a questionnaire, or send the customer details of accessories or service". The medium of communication will largely depend on the individual personality of the customer. He notes that although a certain number of customers would enjoy a courtesy call from the organisation,
other customers would prefer a letter as this might have a greater impact if it is from a senior executive of the organisation.

Linton (1995:131-133) explains that it is of vital importance that organisations continue to maintain contact with their customers long after the original purchase as this assists in the retention of the customer. He views retention programs as an integral part of this process and notes that these programs could take on various forms such as, "simple concepts" like offering discounts on repeated business to more "complex frequent user programs" that offer patrons rewards for continually using the services of the organisation.

According to Linton (1995:135), after sales service also assists in the retention of customers as it strengthens and improves the relationship between the customer and the organisation. He argues that organisations should continually monitor their customers’ buying patterns as this will give the organisation an indication as to the movements of its customers. He also points out that although it might be difficult to maintain contact with customers who have purchased products with long life cycles, the organisation should still strive to achieve this as its customer might be experiencing a particular problem of which the organisation is not aware.

Smith, Sparks, Hart, & Tzokas (2004:191), note that all loyalty schemes offer some kind of reward to the customer in one way or the other and yet, they differ greatly in terms of "context, technology and sector".

Smith et al. (2004:201), conclude that although loyalty schemes experience problems and difficulties both in conception and in operation, they have become a common factor in the retail industry. They argue that store level employees should understand and accept the goals of a scheme as this is important for any scheme's success.

Linton (1995:136-144) notes that a few other methods that organisations could adopt, include offering various customer service programs that would help
customers’ businesses. He points out that this would not only increase the frequency and the quality of customer contact, but also increase customer loyalty to the organisation.

Smith et al. (2004:201) looks at how loyalty schemes impact on organisations through the eyes of employees in the retail industry. They note that although retailers and academics are still searching for the most suitable approaches to loyalty schemes, the one element that they seem to overlook is that of the role of the employee in the construction and delivery of loyalty schemes.

2.4. Tools for Success

2.4.1. Drivers of the “New Economy”

Kotler (2003:34-38) notes that technology, globalisation, and market deregulation play a major role in reshaping the world economy and describes four specific drivers that support the “new economy”, namely:

- digitalisation and connectivity;
- disintermediation and reintermediation;
- customisation and customerisation; and
- industry convergence.

He points out that most systems in today’s economy operate through digital information which is carried over networks, connecting people and companies by means of “intranets”, “extranets”, and the “internet”. Kotler (2003:35) comments that this new technological capability has enabled organisations to not only distribute products and services via traditional retailers, but has enabled manufacturers, distributors, and retailers to sell their products and services online, thus being disintermediated by the new “e-retailers”. He comments that, although disintermediation occurred, it conversely introduced new middlemen who reintermediated their services to supply businesses and consumers with products and services via the internet.
Kotler (2003:36) comments that the “old economy” revolved around manufacturing companies investing large quantities of capital to build brand value and enabled them to display the advantages of standardised production, products and business processes. Equally, he notes that the “new economy” is supported by businesses that, to their advantage, use information to distinguish, customise, personalise, and distribute over networks at unbelievable speeds. He notes that the “new economy” has allowed organisations to personally interact with their customers as well as customise products and services according to their customer’s individual needs and wants. He notes that this customerisation is the combination of the organisation’s operational and marketing efforts.

Kotler (2003:37) comments that the “new economy” has created new opportunities for organisations to capitalise on, as well as allow industries to converge to achieve maximum synergy across different market segments.

2.4.2. CRM - Customer life cycle care

Gianforte (2005:2-3) argues that to fully optimise Customer Relationship Management (“CRM”), an organisation needs to have a 360 degree view of its customers. This requires the organisation to gather information about their customers at every touch point throughout the customer life cycle. The information gathered about customers is then integrated into the organisation’s knowledge management system. This allows all employees of the organisation to treat each customer as an individual, thus creating customer satisfaction and loyalty. Customer life cycle care gives customers the freedom to use all the available communication channels, and they feel that the organisation is catering to their needs, thus satisfying their expectations. Customer life cycle care enables organisations to receive extra income and results in happier customers.

Gianforte (2005:3) notes that when CRM is properly implemented, not only can it reduce expenses by eradicating superfluous tasks, but it can also lead to
greater customer satisfaction. He points out that organisations should not undervalue the significance of customer satisfaction because, the happier the customers are, the more they buy. He notes that not only do these purchases happen for extended periods of time, but these happier customers also introduce new customers to the organisation.

Gianforte (2005:4) remarks that the traditional CRM approach fails to offer a full variety of benefits because it lends itself to operate within departments in silos, resulting in duplication of duties being accepted as the norm. He points out that although organisations have adopted these traditional CRM approaches, their customers have not noticed any change in the treatment they receive. He comments that customer life cycle care centres on the "care" of customers, whereas the traditional CRM initiatives concentrate their efforts on management. He points out that customers do not like to be "managed". The only thing customers are concerned about is that they will be listened to, understood, served and given the care they expect.

Gianforte (2005:5-6) remarks that the implementation of the customer life cycle in a customer service organisation has several advantages, in that:

- it provides all employees with a 360 degree view of the customer, thus satisfying the customer's needs by having the answers at their fingertips;
- customer service organisations ensure that the quality and completeness of data is accurate, therefore these types of organisations are constantly confirming and rectifying the data of their customers to ensure that service delivery is of the highest calibre; and
- the customer service organisation ensures that it gives its non-sales staff the ability to make sales, by providing these employees access to the correct data in order for them to identify and act upon sales opportunities.

Customer life cycle care in a customer service organisation has an important function when it comes to service delivery as it aids in the organisation delivering excellent service thereby achieving customer satisfaction and the likelihood of repeat purchases (Gianforte, 2005:5-6).
Gianforte (2005:6-7) comments that in order for organisations to achieve the best possible results from their CRM initiatives, managers of the organisation will need to have a customer life cycle plan which will need to incorporate:

- the organisation having consensus about customer life cycle care and trying to avoid the traditional CRM pitfalls;
- ensuring that customer service functions have a direct role in the customer service organisation and that the CRM implementation does not just become a secondary component; and
- the organisation enrolling a trusted consultant who has experience in the implementation of customer life cycle strategies who can provide logistical, technical and political support needed for successful implementation.

O'Brien (2005:220) explains that CRM systems support the relationship between the organisation, its customers and associates by enabling the organisation to combine "web-enabled software and shared databases". He notes that across the functional departments, the organisation's CRM systems offer:

- sales representatives the necessary tools and data to aid them in managing their sales activities as well as helping them gain vital information to either up-sell or cross-sell;
- marketing the necessary information to achieve "direct marketing campaigns through qualifying, scheduling and tracking mail";
- opportunities to customer service managers to manage the needs of the customers who request service; and
- assistance to the organisation through retention and loyalty programmes which identify and reward the organisation's most loyal and lucrative customers.

He notes that there are many benefits to CRM because it allows organisations the freedom to:

- "identify and target their best customers";
• customise their products and services to meet the individual needs and wants of their customers thereby extending the customer life cycle; and
• provide a consistent and better-quality service that supports the customer experience (O'Brien, 2005:222).

2.4.3. Why Do So Many CRM Initiatives Fail?

O'Brien (2005:222-223) remarks that research has shown that over fifty percent of CRM initiatives fail because organisations fail to generate the results they promise. In a separate research report, he comments that 21 percent of the organisations interviewed reported that their customer relationships were injured through CRM initiatives. Furthermore, he pointed out that a management satisfaction survey revealed CRM to be placed at the lower end of the user-satisfaction scale. He notes that one of the major reasons why there is such a high rate of failure in CRM initiatives is that there is a lack of understanding and preparation. Without proper preparation by the organisation, the employees and customers will not be equipped to adapt to the new processes, therefore ultimately leading to the failure and abandonment of the CRM initiative.

Bunn (2006) and Zarbock (2006) support the comments made by O'Brien (2005:222-223) in their acknowledgment that the reasons why CRM initiatives fail are:

• a lack of sponsorship by senior management;
• organisations do not follow proper change management protocols;
• CRM systems are poorly integrated into core business systems and do not match everyday work functions;
• organisations offer poor end-user incentives which leads to poor user adoption rates;
• lack of commitment and discipline to complete the CRM initiative; and
• refusal by employees to share client information.
Zarbock (2006) recommends best practices that organisations can adopt to avoid common pitfalls and ensure CRM implementation success. He notes that organisations should request the support of high-level manager sponsors who can give them vision and contribute toward the goal of CRM implementation. This management sponsor should be involved in the planning process as well as be the mascot for the CRM initiative. Furthermore, organisations should employ career-minded, well-rounded project managers who are obsessed with successfully implementing the CRM system. The everyday tasks of the end-user should be thoroughly investigated by the organisation and then be added into the core system. He comments that the organisation should plan a longer period for the initial rollout to ensure successful implementation of the CRM system. In order to manage the change management process, the organisation must ensure that the programme it presents to its employees is well thought out to ensure end-user adoption. The expectations set by the organisation should be realistic and key processes from other systems should be integrated into the new CRM system. He concludes that if organisations implement CRM systems properly and not as a “quick-fix”, CRM should generate significant benefits for the organisation.

2.4.4. Traditional CRM versus Customer-Centric CRM

Kingstone (2004:3) notes that the traditional CRM approach has a few shortcomings in that: various departments operate as individual silos forcing customer data to be scattered; information supplied to lower-level employees is limited and does not improve the customer relationship; and management-level employees mainly focus on transactional data and not on the holistic view of the organisation.

Kingstone (2004:1) highlights the differences between traditional and customer-centric CRM and notes that all organisational processes should be centred around the customer life cycle.
The traditional CRM approach:
- adopts internal applications that are divided between various departments (sales, marketing, and service);
- scatters data and processes between various departments which causes customer dissatisfaction;
- bases differentiation within the organisation on products; and
- encourages a reactionary view to service and inconsistent organisational goals in performance measures (Kingstone, 2004:1).

Whereas in Customer-centric CRM:
- it views the customer life cycle as the focal point and all its processes are incorporated around that belief;
- the organisation views its differentiating factors on customer-centricity and all the organisational processes are focused to optimise customer interactions; and
- the organisation adopts a proactive view to service and all the organisational goals and performance measures are aligned with customer needs (Kingstone, 2004:1).

2.4.5. Customer-centric CRM
Kingstone (2005:1) says that a few of the reasons why organisations limit their return on investment in their CRM implementation is that they lack actionable insight to effectively use the information gathered. She comments that more than 85 percent of organisations implement CRM projects in order to gain improved understanding of their customer base as well as wanting to increase revenue. She points out that although organisations have the necessary data, this data is usually scattered between various departments.

There are four stages of CRM, according to Kingstone (2005:1), which impact the business value. These are:
stage one: "static business productivity tools", which consist of unstructured data that is scattered and where the dominant processes involved are on a manual basis with some tactical automation;

stage two: "departmental CRM" where the efficiency of the CRM process is driven by the individual departments with single marketing channels which limit the cross-departmental insight;

stage three: "operational and analytical CRM" which consists of a process and query-driven CRM analysis based on historical data with management-centric applications; and

stage four: "customer-centric CRM" which is insight-driven and is entrenched in analytics for real-time decision-making with practical and customer-driven applications.

Kingstone (2005:1) remarks that most organisations are caught at either stage two or three and the reason why these organisations are not achieving customer-centric CRM (stage four) is that they are not effectively controlling the data and analytics for actionable insight. She points out that in order for organisations to understand the suitable actions by sales, customer service and marketing, analytics is the critical link, which supports the formation of relationships that produce the most customer value. She comments that if organisations try to deliver a customer-centric CRM approach to their customers based on their specific needs and preferences, not only will they create "moments of truth" for their customers, but they can also increase sales and business performance.

The fundamental nature and purpose of CRM is to:

- maintain stability between sales and costs through improved implementation;
- boost the customer experience to create customer loyalty; and
- increase turnover through product and service differentiation (Kingstone, 2005:1).
She comments that CRM implementation in the past mainly concentrated on the first goal, the balance between sales and costs, and that organisations should realise that, in order to achieve true value and improved revenue, organisations should concentrate all their efforts on the customer experience (Kingstone, 2005:2).

Kingstone (2005:2) comments that in order for organisations to reach stage four (a customer-centric CRM approach), they would need to attach analytical initiatives to their CRM implementations. Not only will this help them to achieve their organisational performance objectives, but also facilitate in the implementation of customer life cycle care by:

- providing them with a 360 degree view of the processes that face the customer; and
- controlling the customer data across all contact points which will ultimately lead to greater customer satisfaction, improving customer retention and loyalty, converting the organisation's CRM metrics and key performance indicators into a dominant customer strategy for improved strategic and tactical decision-making.

In order for organisations to attain customer success through actionable insight, the evaluation of strategic choices should be made on the basis of quality, not quantity. She remarks that the best method to use to achieve insight from the wealth of customer information is for organisations to ask and understand the vital question, *What is the right amount of data and how should it be analysed to add value to the customer-centric initiative?* (Kingstone, 2005:3).

Kingstone (2005:3) comments that organisations should focus their efforts on data collection because if information is not measured it cannot be managed. She says that when organisations embark on data collection, they need to consider a few issues such as:

- the reason for the collection of the data in order to measure what is expected;
whether the collection of data should be behavioural, transactional or demographical;

in what manner must continuous improvement be measured; and

how the data points that were collected will be used.

Kingstone (2005:7) says that the only way for organisations to cross the threshold to customer-centric CRM is to use integrated analytical applications thereby giving organisations a better understanding of customer intelligence. Customer-centric CRM allows organisations to use insight to communicate with their customers on a more targeted and personal basis. Thus, in order for organisations to influence customer data for the value of insight-driven CRM:

- their data management and business processes should be detailed and accurate;
- they should own powerful analytics that influence both the historical and real-time data;
- their campaign management tools and processes should be adaptable to the needs of the customer; and
- the organisation should have a solutions delivery model that incorporates, "analytics, marketing, content, data and creative strategy with CRM training".

2.5. Success Stories: CRM Best Practices and Benchmarks

2.5.1. Nordstrom

Nordstrom has the greatest reputation for customer service in the United States of America. Nordstrom focuses on thinking like the customer and empowering front-line people to give great customer service. Front-line people are empowered to make decisions with the support of management (Beasty, 2005). Nordstrom's competitive edge has historically been its personalised customer service, which traditionally involved manual tracking of information, including designer preferences, contact preferences, sizes and dates of visits. Sales people would notify customers of the arrival of stock where customers had
expressed an interest in a particular brand. Nordstrom has implemented Blue Martini Software to enhance its in-store retail customer relationship management efforts. The software is used to access information in real-time, to manage customer product information and preferences and to communicate with customers. Now, the CRM software is used to update and automate the process by alerting the sales people when customer preferences match events such as the arrival of new stock, in-store promotions, for example. The CRM software has contributed to increased customer loyalty and sales, to reduced costs, and has enabled Nordstrom to act upon business intelligence in real-time in order to direct marketing and customer interaction on the web, in-store or via the telephone. In addition, Nordstrom uses direct mail catalogues and an on-line facility to reach its customers (Gratehouse, 2002).

2.5.2. Singapore Airlines

Singapore Airlines has sustained a customer-oriented culture for the past thirty years. All of its employees "buy-in" to the need for cost efficiency in order to render excellent customer service. Staff are trained to implement this principle and their bonuses and other awards are dependent on profits generated by the business. In addition, Singapore Airlines has continued to innovate and evolve through a program of minor improvements, ensuring that the airline remains, "marginally superior to rivals in what they offer the passenger". The minor improvements are less costly whilst still producing value for the customer. Minor improvements are made essentially "behind the scenes" whilst the more major developments and improvements are in the public realm, providing the evidence to customers that they are getting the best from Singapore Airlines. The objective of the minor improvements is to minimise the cost of differentiating itself from competitors whilst keeping it ahead. A tactic used to save costs is the use of the airline's subsidiaries to provide services such as catering, maintenance and in-flight services, rather than outsourcing these functions at a much higher cost. The airline has recognised that in South East Asia, the most important issue for customers is low fares (Emerald Group Publishing Limited, 2004).
Singapore Airlines also uses its existing customer databases, which are channeled through its Marketing and Relationship Management System ("MARMS"). This system tracks Singapore Airlines KrisFlyer frequent flyer program, its Priority Passenger Service, Singapore Airlines website's registered users and other regional databases from field offices. Staff can access updated customer information on-line and website customers can view and update data stored in MARMS, to access changes instantly. MARMS has reduced the time taken to award frequent flyer miles from 72 hours to 6 hours. MARMS is used to analyse customer data and plan marketing with tools, which shorten planning, and execution time (Yap, 2004).

2.5.3. Marks and Spencer

In collaboration with Accenture, Siebel and Microsoft, Marks and Spencer developed their integrated customer relationship management processes and systems. This solution identifies customers, routes calls intelligently and synchronises customer, product and order information. It facilitates quick identification of customers, correct routing of calls and complete control of agent’s telephone extensions. An agent knows a customer's spending history at Marks and Spencer before answering a call, with the result that customer enquiries are resolved consistently, completely, accurately and fast at the first point of contact. The system's speed of response results in greater efficiency and lower operating costs. The system facilitates shared customer information across call centre operations with quick resolution and reporting on service issues, resulting in high quality, personalised and efficient customer service (Anon, 1996-2006).

Marks and Spencer's mission is, "to focus on our customers and be driven by their needs". Marks and Spencer has earned the reputation in Britain as its "most trusted retailer". Another key to its success has been the use of its Customer Insight Unit ("CIU"), staffed by experts with analytical experience in areas such as marketing, sales, promotion, customer relationship management, footage assessment and location analysis (Bond, n.d.).
The focus of CIU is to provide information as to who the customers at Marks and Spencer are, what they want and when and why their customers may become customers of the competition. Marks and Spencer gathers this information from their extensive customer database, which has 3 million Marks and Spencer charge accounts. In addition, external sources, such as Census Demographic and National Panel Data, inform Marks and Spencer about its customer's habits and requirements. Other information-gathering processes include the use of point of sale, through Marks and Spencer's direct marketing channel or website interactive, which inform Marks and Spencer of what customers buy. They emphasise that key to the "unlocking" of the information is the use of high-powered analytical software, which is capable of dealing with huge volumes of data, kept on-line (Bond, n.d.).

The analysis of this data assists in corporate branding to operational decision-making within business units and enables Marks and Spencer to ensure that its products are the ones that customers want in particular stores. It reveals individual taste preferences and behaviour and enables Marks and Spencer to remain a step ahead in preparation for meeting its customer's needs. Marks and Spencer has restructured its strategic store development and introduced new trading formats such as railway terminal outlets and food-only stores, to cater for specific needs of customers in particular areas. The analysis of customer behaviour has assisted in strategising effective marketing activities. Marks and Spencer's competitive edge has traditionally been its high quality standard and trustworthiness. Now, in addition, its strategic weapon of behavioural analysis enables it to remain flexible to ensure that it stays in tune with its customer's needs and can meet them (Bond, n.d.).

2.5.4. Tesco

"When society winks, we wink back" (Sir Terry Leahy). This is Tesco's approach to customer relationship management. Sir Leahy maintains that retail must remain alive to customer's opinions and requirements in order to stay ahead.
He argues that the secret of successful retailing is, "Never stop listening to consumers, and giving them what they want" (Press Release, 2003).

Tesco is fanatical, by its own admission, about listening to its customers and its business aims to create value for customers so that it can earn their lifetime loyalty. Tesco views each consumer as an individual with unique demands and tastes and does not focus on a particular social group or type of community. Instead, it has chosen to offer choice and availability, typically stocking thousands of lines of products which are topped up through the instantaneous logging of sales and replacement orders as soon as an item is purchased. In addition, Tesco has branched into provision of other services such as telephone services, banking and life insurance (Press Release, 2003).

Tesco has implemented minor changes such as opening up additional counters to serve when queues develop, developing different types of stores to cater for differing shopping habits, such as its Extra stores, which are essentially general stores, its Express stores for essential items, its Metro stores which are small convenience stores and Tesco.com which is an on-line retailer. In addition, its stores are open on Sundays and many are open for twenty-four hours, all to meet customer’s requirements for convenience. Sir Leahy says, "The consumer is the sun around which our world revolves…” (Temporal, n.d.).

Historically, Tesco’s CRM program began with its Club Card, which offered points on purchases and gave a small rebate to loyal shoppers. The Club Card enabled Tesco to gather vital customer information concerning which products customers were and were not purchasing, where they were spending most of their time in the store and where not. Customers were given vouchers for items which they liked to buy and offers to explore parts of the store they had not yet seen. Tesco provided different lifestyle magazines for different customers and high-valued customers (in terms of spend) received calls from the manager of the store, valet parking when shopping and other special privileges. Then Tesco created a student card and another card for mothers, providing offers suited to these customers needs. After that, Tesco added a travel service in partnership
with a travel agency, providing discount offers. It combined its card with VISA and offered discounts on do-it-yourself goods through a home improvement chain. It later added a full range of financial services to its portfolio of customer services and the Tesco Direct service. In each of these services, "value adds" such as providing parking outside the store for expectant mothers, changing facilities and personal shopping assistance to help them, gave Tesco the edge. Later, Tesco began offering electricity and telecommunication products and services and then clothing. More recently, Tesco began to sell cars. In addition, Tesco sells on-line, delivering products to the customer's door. Its loyalty program provides that every time a transaction takes place, points accumulate and special offers and privileges are awarded (Temporal, n.d.).

The underlying philosophy that Tesco adopted is to know and understand its customers on an individual basis, to communicate with its customers in a relevant way and to manage offerings so that the customer's shopping experience is enhanced. The key to Tesco's success has been its recognition that there is no such thing as the "average customer" but that personalisation of customer service is the key. Tesco is committed to its customers as individuals and its focus is to gain loyal customers who must be at the centre of the CRM strategy and the focus of the business. Tesco adopts a truly customer-centric vision. A positive consequence of correct implementation of CRM is that marketing spend can be reduced, such as in the case of Tesco where the media effectiveness of the Club Card Program allowed Tesco to save money on promotions and to increase sales simultaneously. Tesco uses customer insight to evaluate the effectiveness, and reduce the overall cost of, promotions. By using customer insight, Tesco determines which shoppers use promotions and which shoppers like them, if there is a way to focus promotions on best customers and how Tesco can take investment from promotions and return it back to the business. The impact of this analysis is that it has resulted in more than 60 percent less promotions, it has reduced management cost, redirected money back into the business, contributed to price reduction and provided for more tailored, effective promotions (Wylie, 2005a).
Tesco's strategy is to "circle the customer". The information gained by Tesco on its customer behaviour has enabled it to understand its customer’s needs and wants and to find profitable ways to meet these (Wylie, 2005b).

Clive Humby argues that a main contributing factor to Tesco's success has probably been its commitment to the use of data gained in the business. A common mistake made by companies is the use of their loyalty programs as a quick fix promotion tool, which is an expensive form of promotion. This overlooks the essential use to which a loyalty scheme can be put, that is, the gleaning of vital data on customer behaviour. Used correctly, the data can improve the ability to make the shopping experience more compelling by providing the right products at the right prices with the right promotions. The downfall of many companies is that they fail to use the data gathered in this way. Clive Humby argues that Tesco does not have a CRM program but a loyalty scheme and that this communicates to customers that Tesco is using its data in return for money back and that it will use the data to provide a more relevant experience for customers (Powell, 2004:4).

Tesco has used its CRM to find out who its best customers are and through its loyalty card scheme, it has tracked the shopping habits of its customers. The result of tailor-making offers to suit individuals is that a substantially higher percentage of its promotional coupons are now redeemed in comparison with a much lower industry average. Tesco's CRM enables it to: build relationships with its customers; provide rewards in exchange for information; find new customers more easily; increase sales per customer; save on the costs of promotions by promoting to loyal customers, as opposed to "cherry pickers"; keep prices down on familiar price lines; use premium pricing on less familiar lines; and hold customer evenings to gather more information, bring in new customers through referrals; and improve the relationship (Rowe, 2002).

Hallberg (2001:19) argues that Tesco's edge is its achievement at the highest level of emotional loyalty – "Bonding" and that the difference in the market share between Tesco and its primary competitor can be attributed to the
emotional loyalty of its customers. He argues that the growth in brand sales with increasing levels of emotional loyalty confirms that the more customers like a brand, the more they buy. He says that Tesco's success was achieved by bonding a greater number of category shoppers, in particular high-value shoppers.

2.5.5. Ritz Carlton

"Ladies and Gentlemen Serving Ladies and Gentlemen", is what makes Ritz Carlton famous. Its approach to customer service focuses on the recruitment and training of its staff, offering opportunities for their professional development and encouraging them to advance within the organization, all as part of its overall objective to meld its processes around its customers. Staff are trained to provide quality, personalised service, including a warm and sincere greeting, using the customer's name, and constantly anticipating the customer's needs. Ritz Carlton's focus is to provide a "defect-free" experience for guests, constantly monitoring its progress to ensure that it continues to edge towards this goal (Grimaldi, 2003).

In addition, Ritz Carlton pays attention to detail through procedures implemented for quality improvement and problem solving in terms of which, data is gathered and analysed, standards are set for all processes and points are identified at which errors may occur (Grimaldi, 2003).

Ritz Carlton embarked on an intensive customer service initiative between 1992 and 2000, entrenching the mantra that customer service is the duty of everyone. The organisation looks for characteristics in the recruitment process such as the ability to listen rather than talk, a strong sense of values and an overall desire to go beyond the call of duty. After recruitment, staff are trained in customer service as a priority, beginning with a focus on the tradition of the organisation in order to give staff a sense of belonging and pride. Each staff member is given a set of the "Golden Standards" in the form of a wallet-sized document to be carried around at all times. These "Golden Standards" include the three steps of
service, the credo and motto, twenty basics and the employee promise. Staff are taught that the standards are like a part of their uniform. Training is focused around putting into practice these "Golden Standards" and new recruits are indoctrinated with the importance of service and the language used by them. The staff are taught to think on behalf of customers in problem situations. Ritz Carlton adopts a truly customer-focused mindset (Emerald Publishing Group Limited, 2003).

Ritz Carlton believes that the real value comes from the, "...ladies and gentlemen who serve at the hotel and bring it to life". Staff are trained to create a guest for life and the focus is on trying to win the hearts and minds of guests rather than winning customer loyalty (Robison, 2006).

Ritz Carlton's management goal is to provide an empowered environment for staff, which emphasises personalised customer service. Its staff are selected and trained to be creative and proactive and service is a shared value within Ritz Carlton. Cross-functionalism and teamwork provides value for customers and staff and participatory management is supported by company leaders (Lowenstein, 2001).

2.5.6. Hilton Hotels Corporation

Jim VonDerheide, vice president of CRM Strategies, Hilton Hotels Corporation, says that Hilton's focus is bringing service to the forefront and providing customers with choices. Hilton endeavours to deliver the "things that matter" to each individual and in particular, to frequent guests. Hilton is moving towards a customer-centric approach. It uses a CRM program which is focused on the guest as an individual. VonDerheide says that Hilton considers privacy as a service that it can offer. Hilton uses a loyalty program, through which it captures details of its guests. This enables it to identify and recognise guests as individuals, empowering the organisation to provide for the very specific needs of the individual. The competitive edge for Hilton is its personal touch (Thompson, 2006b).
VonDerheide says that Hilton's strategy is, "customer choice and control – delivered consistently". Hilton's focus is to constantly add choice and control to the travel experience. As part of this process, it offers, "physical choices (web check-in and kiosk check-in), service level choices (amenities versus health), communications choices (allowing guests to choose what Hilton supplies in their communications-brands of interest, offers of interest, and activities of interest) and bonus level choices (Points and Points, Points and Miles or Points and variable miles)". 

The objective of the multitude of choices provided is to prove to guests that Hilton delivers a differentiated service and experience from its competitors, for its individual guests. The underlying philosophy of Hilton is that a customer should supply its own choice, not the business (m-Travel.com, 2006).

Hilton provides on-line booking, which is appealing to its customers and has launched dozens of microsites which are designed for specific clientele. In this way, Hilton provides and markets services which are custom-made for particular groups. The on-line booking facility enables guests to enter the CRM system before check-in and they are able to pre-order services or make bookings for services on offer (Parker, 2006).

Hilton uses the OnQ system. This system is central to its CRM strategy and is focused on meeting customer’s preferences (Leff, 2004). OnQ has a Guest Profile Manager for frequent guests, which is based on information provided by guests to Hilton through hotel or central reservations, websites or loyalty club memberships. The information from previous visits is incorporated in the profile data, providing detailed personal information about guest’s preferences and previous experiences during other visits. In addition, the system incorporates, "all the primary functions of an hotel, including front office, housekeeping, accounting, finance, human resources, night audit, groups and packages, revenue management and forecast management". This fully integrated system permits management to forecast business trends and make market-driven decisions (Cuneo, 2003).
In addition, Hilton has implemented E.piphany Inc's, E.5 suite of CRM reporting and analysis applications. This CRM solution enables Hilton to analyse occupancy, booking patterns and customer information. Guest information can be gathered and analysed across the board, facilitating better service for guests, the administration of corporate loyalty programs and guidance for marketing campaigns. The CRM solution has provided a more cost efficient manner of managing the business. Various staff have access to the CRM system through Hilton’s intranet. The CRM system is linked to Hilton’s new client reservations system, which enables users of the CRM system to generate reports immediately showing, "rate plans, numbers of people for reservation, the source of the reservations and guest information". This translates into differentiated service provided by Hilton, which is based on that customer information. The system can only operate if personnel have been trained to use it. Hilton offers a variety of training options as part of the rollout and maintenance of the new application, in the form of one hour, over-the-phone training, to one-day, face-to-face, hands-on training. A monthly newsletter is circulated, which communicates updates, best practices, training information and new report templates associated with the CRM solution. A hotline was established to deal specifically with queries regarding the CRM system. A profile is generated for each customer and each time Hilton interacts with that customer, it is updated from various sources, providing detailed, personal up-to-date information. The CRM system adopted by Hilton is essential to its customer-centric approach (Picarille, 2002).

2.5.7. Walmart

Goldenberg (2004) notes that Walmart's CRM system enables the organisation to maintain consistent stock levels. Each time a purchase is made, within 15 minutes, the head office is made aware of the purchase and within an hour, the purchased item is replaced on the shelf. The use of customer information to build customer profiles has empowered Walmart to devise a strategy as to how best to stock their stores.
Walmart has also introduced speech recognition technology as a means of providing voice self-service to customers through the Walmart.com greeter. It is an automated system, which receives information through voice recognition and provides a response in a fast and efficient manner, rather than using touch-tone systems, which tend to frustrate customers (CRM Today, 2003).

2.5.8. Skandia

Skandia uses the FINEOS service centre and workflow applications as part of its CRM strategy. This system integrates and unifies the sales process for its various operations such as its unit-linked pension business, its life assurance and pensions business, and its health insurance business. All administration processes associated with new business and policy applications are processed using the system, and progress of applications can be managed and monitored by sales and service staff through a common customer and policy overview across all operations. The benefits of this system are that a greater number of policies can be processed at the same cost base and better customer service is provided through the elimination of duplication and manual processes which are susceptible to error. The key benefit is the increased effectiveness of Skandia’s operation at a reduced cost (Fineos Corporation, 2002).

2.5.9. The South African Revenue Service (SARS)

SARS has adopted CRM software to provide for registration processes, enhanced workflow and service levels and interaction between SARS and taxpayers. The software enables registration once in respect of all SARS products. In addition, a management tracking system enables the resolution of queries and the tracking of progress. Taxpayers will be able to update personal and company details on-line and will be able to log on to determine the status of their tax returns in future (Staff reporter, 2006).
2.5.10. Woolworths

Woolworths merged its website with its on-line shopping website, Inthebag. This new site offers grocery shopping options, broader product catalogues and value-added information on baby care, nutrition and wine. Inthebag has additional services such as cellular services and other functionality which relates to Woolworths unit trusts, Visa credit and store card statements and account management online. It has heard customers demands for convenience and has reduced its delivery fee, expanded its delivery times (to include Sundays) and the geographic reach of Inthebag (Khan, 2001).

2.6. Knowledge Management

eGain (2004) defines knowledge management as,

"a set of practices that maximise the business value of knowledge by gathering, structuring and delivering it at critical points of customer interaction".

Fernekees (2006:2) says that knowledge management has been recognised as a collection of disciplines that allows organisations to attain, classify and, "present corporate knowledge for improved business and competitive advantage". He points out that this collection of disciplines has enabled organisations to match their investments against the traditional metrics, thus providing them with methods to increase the levels of customer service. He comments that the foundations of knowledge management are important elements as this assists in serving customers when they need it. In order for management to make informed decisions, they would need to know, "what questions are being asked by customers", and, "what product features are being requested". These questions can be answered if the organisation has a well-structured knowledge management solution, whereby they are able to gather all of the information from customers, "back to the corporate knowledge base", to be analysed, thus ensuring that the appropriate action is taken.
eGain (2004) notes that the deployment of knowledge management systems is used to attain precise and quantifiable goals to either lower service costs by: improving systems and service efficiencies; improving the quality of service through giving the correct information to customers thus reducing customer frustration; ensuring that there is consistency in service so that all of the organisation's customers with similar questions will receive similar responses; and when knowledge management aids in improved customer service, it frequently generates results in other operational areas.

RightNow Technologies (2006:3) remarks that if organisations want to create a better customer experience, they would need to utilise knowledge management. The relevant types of knowledge management such as: "sales cycles" and age analysis for open events; pricing; store locations; refund policies; technical specifications; competitive analysis and company offerings; market trends; regulations and technology; the response rate of marketing campaigns; and complaint trends, would need to be captured in order for organisations to respond to their customers in an effective and efficient manner. The maintenance of knowledge should be accurate and relevant over time therefore knowledge management is an essential component that must be assembled directly into the business processes.

Knowledge must be easily accessible to every employee as this ensures that the customer’s expectations will be met at any given point in time, irrespective of the communication channel used by the customer. The information that a customer receives must be the same, no matter the channel used (web, fax, telephone, letter, etceteras), therefore organisations must possess a common knowledge foundation across all departments and channels (RightNow Technologies, 2006:3).

Organisations should also encourage customers to take full advantage of self-service initiatives as this allows them to gather vital knowledge about customer preferences. The final principle is that the effectiveness of knowledge management must be measured on a continual basis to ensure that metrics
such as training are actioned by the organisation (RightNow Technologies, 2006:3).

Gibbert, Leibold and Probst (2002:464-465) points out that although a number of organisations use a variety of ways to manage customer knowledge, these individual approaches are similar in nature. They note the way Amazon.com employed the knowledge of its customers to create a "team-based value chain" by offering a large variety of products and services using various system-linked organisations. Not only did this transform the identity of Amazon.com, but these "team-based co-learning" exchanges also created new relationships that added value. "Mutual innovations" as noted by Gibbert et al. (2002:465) illustrates the relationship that exists between the organisation and its customers. In this respect, the customer is the "co-innovator" and "co-developer" of products offered by the organisation.

Gibbert et al. (2002:466) note that "communities of creation" are groups of people who work together for extended periods, have a common interest and aim to generate and share knowledge. They note that these groups or communities cover organisational boundaries to generate mutual knowledge and value.

"Joint intellectual property" is the concept or impression given by the organisation that it is "owned" by its customers. This type of customer relationship management style, not only builds a strong connection between the customer and the organisation, but also creates a camaraderie where the success of the organisation reflects on the success of the customer interaction and vice versa (Gibbert et al., 2002:466).

Thus the objectives of the five styles of customer knowledge management as stated by Gibbert et al. (2002:465) are:

- "prosumerism", which focuses on product improvement and the resultant benefits;
• "team-based co-learning", which assists team learning when dealing with complete change;
• "mutual innovation" which focuses on generating the greatest return from new ideas;
• "communities of creation" which focus on obtaining and clarifying shared knowledge; and
• "joint intellectual property" which focuses on obtaining the greatest profit on intellectual property.

eGain Communications Corporation (2006:4) notes that organisations who provide excellent customer service use knowledge to assist employees and to guide self-service relations. They, in terms of delivering knowledge management resolutions to contact centres, gathered hundreds of best practices to increase the success of knowledge management implementation as well as capitalising on the organisation's return on investment. They point out that organisations need to "quantify value" by measuring their expected and realised return on investment which validates and maintains the knowledge base as well as inspires the organisation, in the eyes of the consumer, as a value creator. They note that the metrics used by organisations should support business objectives and that the organisation should be mindful that knowledge management delivers a positive return on investment in terms of "increasing first-time fixes and revenue", and "reducing transfers, repeat calls, unwarranted product returns, etceteras".

In order to be successful in implementing knowledge management, eGain Communications Corporation (2006:4) notes that the organisation would need to "build the right team" to capture and create knowledge. The organisation would need to build a cross-functional team, which would include lead experts, knowledge authors, users, and project managers, in order to convey a 360-degree view to knowledge creation. They comment that organisations should ensure that they, "focus on the depth and quality", of their knowledge management deployment because, if "users" of this knowledge-based solution
receive inefficient or incorrect answers on a continual basis, they will refrain from using the system, thus leading to the failure of the knowledge base.

To "maintain velocity", organisations should ensure that their knowledge management implementations are measured and adjusted to avoid the project "steering off course". If the timeline for deployment cannot be adhered to, the organisation should then narrow the scope of the knowledge base to ensure project completion (eGain Communications Corporation, 2006:4).

Organisations should not only use their internal knowledge experts, but also locate knowledge base providers that are both technically capable and not separated from customer contact. Therefore, the organisation should balance the, "ivory tower knowledge with street smarts" (eGain Communications Corporation, 2006:4).

McBride notes that when knowledge is transferred effectively, not only does this transfer speed up problem resolution, but it also promotes customer satisfaction, which leads to better organisational effectiveness and cost reduction. She notes that if organisations do not have any proper knowledge management methods, they will find it difficult to communicate with their customers, partners and employees. She points out that when organisations are considering whether to invest in a knowledge management initiative, thorough investigation must be undertaken to identify all shortcomings and pitfalls that might be experienced. This type of scrutiny must be conducted on all the needs of the organisation for its short-and long-term objectives. She remarks that organisations cannot reveal every challenge or "roadblock" that might occur when trying to set up a knowledge management initiative, but offers lessons learned through successful knowledge management initiatives (InQuira, 2006).

McBride says that organisations should not under-value the requirements when it comes to change management. She points out that when a project of this magnitude is undertaken, all stakeholders and end-users must share the same vision and all parties involved must communicate on a regular basis. She
comments that individuals should "over-communicate" because this change management process will be taking people out of their comfort zones, therefore they would need to understand what is being done every step on the way. She explains that organisations must, "know the needs of their end-users". They (the organisation) would need to understand the behaviours of their users and identify the various ways these users will be able to access the same information. She points out that end-user involvement in the identification of the content, design and testing is vital as this leads to greater user adoption (InQuira, 2006).

McBride says that organisations in the early stages of the knowledge management project should, "identify content gaps and duplication", which will allow the organisation to make the content more user-friendly by eliminating duplication. Organisations must ensure that they understand and measure the return on investment in the early stages of the project because, once the project goes live, the stakeholders will be expecting reports on the progress of the system to analyse the performance of the project against the investment. She notes that organisations, "must not undervalue the impact of peripheral benefits", because, if the organisation effectively utilises its knowledge management system, it can create a multi-dimensional training environment (InQuira, 2006).

### 2.7. Employee Training

When individuals serve customers, they not only represent the organisation, but themselves as well (Timm, 2001:93). Training and development are an integral part of gaining and improving customer service standards and measures but only a few organisations can really boast about their total commitment to training (Blem, 1995:116; Brown, 1989:90). Blem (1995:116) says that one of the main criticisms about training programmes is that they offer a theoretical perspective, thus relying too much on passive learning techniques. Although the theoretical perspective of training is important, it should involve participation in the form of role playing, simulations and case studies. He comments that during the initial training programme, morale is high and every effort is planned and
taken to ensure customer satisfaction, but this eagerness soon disappears and employees go back to doing the things they always did before the training took place. It is the responsibility of management to ensure that employees actively participate in delivering the principles learned through the training programme. Management must actively pursue follow-up activities to coach and help employees utilise what they have learned. He remarks that if training programmes are correctly utilised, not only should this improvement reflect a direct financial relationship between investment and turnover, but can also be identified in the attitudes and morale of the employees.

Blem (1995:116-118), Brown (1989:90-93) and Katz (1988:35-36) state that there are various ways in which an organisation is able to train its employees, but before training can begin, an analysis should be undertaken in order to identify what areas need to be improved in order to plan the training programme. Training programmes can be implemented on a one-on-one basis, where the trainee receives coaching from the trainer. This process involves the trainee first observing what is being done, then putting into action what was observed.

Blem (1995:117-118) states that when special training is required, training in a classroom yields a few advantages as the trainees receive high standard briefs on the material that will be covered in the training session as well as the policies of the company and the customer and market characteristics. This type of training can save considerable time as the trainer can meet an entire group at once and it allows the trainer to use visual material to aid the training process.

Role-playing is another popular method used as this allows the trainer to verify whether the trainee can properly apply what has been taught. Trainees can also receive immediate feedback on their performance (Blem, 1995:117-118).

Other methods of training involve personal enrichment and self-esteem programmes where employees deal with subject matter such as self-confidence, interpersonal skills, stress management and goal-setting. He argues that the objective of this type of training is to assist employees to
evaluate their personal effectiveness and attitude in relation to work and life goals (Blem, 1995:117-118).

He points out that if employees have a clear understanding of the goals they would like to achieve, are aware of the type of skills they would like to acquire and the expected rewards, it will generate a greater creative energy in them towards their profession (Blem, 1995:117-118).

2.8. Infrastructure

Organisations must not view improvements as a cost but as an investment in their customers. Ultimately, it is up to each organisation to make a decision on exactly how much they are prepared to invest in customer service. Before the organisation makes that investment, it would need to know how its customers perceive it, customer’s expectations of the service provided, and what the organisation is prepared to invest in, in order to deliver excellent customer service. Thus, in order for organisations to guarantee excellent customer service, they would need to: invest in training and encourage their employees to deliver the utmost values of customer service; develop customer-people oriented managers and staff whom they can trust; develop and implement various systems to ensure quick delivery and turnaround time for their customers; do the "little extras" to facilitate customer satisfaction; create an environment which is like-minded with regard to the expected high standard for service delivery; provide high quality products and services which are valued by customers; and have ample resources to ensure that the business operations continue without any delay or disadvantage to the customer (Freemantle, 1993:89-90).

In order for organisations to broaden the gap between themselves and their competitors, they would need to focus on various aspects of customer service and facilitate improvements, such as:

- provide trouble-free access to the organisation’s products and services in the form of toll-free numbers and hotlines;
• provide quick service delivery in terms of call-out systems and response times;
• ensure that customer comfort and convenience factors are met by providing seating, hospitality and décor;
• develop organisational staff through training and rewards;
• improve product reliability, design, and ease of use;
• provide "little extras" in the form of gifts and upgrades;
• provide excellent after-sales service;
• develop and implement quick and efficient organisational systems;
• increase positive communication with customers; and
• have sufficient front-line resources to reduce queue waiting times (Freemantle, 1993:91).

In order for organisations to achieve the credibility of their customer service, they would first need to view this investment strategy as part of the overall vision. The strategy should embody the organisation's short-and long-term business plan for success, which should be understood by both employee and customer alike (Freemantle, 1993:92).

Brown (1989:30) comments that organisations need to find uniformity in service. He points out that in every organisation, there are always a few people that will "stand out" from the rest. They are the ones who constantly try to deliver excellent customer service thereby building a good rapport with customers and growing the reputation of the organisation through their performance. However, what happens when these people either leave the organisation or if they decide to take the day off? The effect is that customers might be disappointed therefore, it is imperative that managers and employees are able to provide the same high standards of service.
2.9. Commitment, Goals and Strategic Vision

Freemantle (1993:61-64) notes that to achieve incredible customer service, the organisation should have high quality managers. This is fundamental because an organisation cannot expect its front line staff to smile more if the organisation continues to use bad management practices.

In order for customer service to have a lasting positive effect, it has to be continually addressed over long periods. The mistake that some organisations make is that they try to find a short-term solution, which leads to them ultimately changing back to old habits. Customer service must be an obsession. Every employee must not only focus all their energies and eagerness on "getting it right", but they must also focus on methods to continually improve. Customer service must dominate the organisation, where every employee debates, reviews and challenges the standards to continually improve and successes should continually be celebrated. He points out that this obsession should be reflected at every moment in order for employees to use every opportunity to achieve excellent customer service, whether it is through face-to-face contact with the customer, contact through a telephone call or by dealing with a service problem. He says that the entire organisation should reflect this obsession and this should be demonstrated through, "newsletters, annual reports, training programmes, performance appraisals, conferences and staff meetings".

Freemantle (1993:67) comments that in order for this obsession to permeate through the organisation, there must be an overriding commitment from all top-level executives. These executives have to share the same obsession and commitment to customer service. If they have conflicting ideas about customer service, it will filter down through the organisation and the result of these conflicting issues could be at the expense of the customer, and ultimately, the organisation. Therefore, the commitment by top management must be visible and real and should manifest itself in the techniques the organisation uses to set its budgets and targets. Top management must, "walk-the-walk and talk-the-talk". The commitment of top management must be demonstrated in their conduct towards customers and the employees who serve them.
Top-level executives should set the example by constantly being involved with customers and continually complimenting staff who deliver exceptional service. Management must be seen to support customer service initiatives and they must communicate their commitment to customer service. This obsession must be evident in the vision and strategies of the organisation as well as corporate standards. If management is totally committed to customer service then they should be equipped to accept comments with reference to the organisation's shortcomings and rectify this. The enthusiasm and passion of management must be enough to rejuvenate the entire organisation and this commitment must be evident in the amount of time management spends on customer service (Freemantle, 1993:67).

Thus, management must communicate a theme for service. This vision according to Timm (2001:126) must be concise, clearly defined and unique. David (2005:54) comments that the vision statement answers the question, "What do we want to become?" and points out that if an organisation creates shared vision with its employees, the resultant effect is a camaraderie of interests that will lift employees into a world of opportunity and challenge.

Freemantle (1993:69) notes that an organisation with a clear vision and strategy can achieve incredible customer service in the long-term. He points out that when an organisation attempts to develop a vision statement it should not just form a fantasy in the mind of the organisation, but be an ongoing goal for achievement.

Thus, in order for an organisation to attain remarkable customer service, its goals must be measurable and clearly defined (Freemantle, 1993:75; Timm, 2001:129). The setting of goals aids the organisation to ascertain its, "priorities, sequence and timing of strategic steps". Therefore, in order for the employees to understand the goals of the organisation, they would need clarification on exactly how far they are allowed to go to meet the needs and expectations of their customers.
The overall philosophy of service, as noted by Freemantle (1993:76-78) must be decided on during the development stage of the strategic vision. He also notes that although it is imperative for managers of organisations to set goals, there is a risk that if too many goals are set, it might cause employees and the organisation to lose their focus of what needs to be accomplished, thereby resulting in a confusion of purpose. He remarks that if organisations identify a few essential objectives and aspirations that need to be achieved in the short-term, it would allow them to be in a better position to set further objectives. In order for an organisation to achieve its customer service goals, senior managers must ensure that these objectives are communicated effectively and should involve every employee in the achievement of these goals. This means that the organisation would need to invest in training and systems, and ensure that all progress made in achieving these goals, is measured.

2.10. Conclusion

Traditional customer relationship management is driven by the organisation's inference of the customer's needs and requirements. Recently, organisations such as Tesco and Nordstrom have paved the way toward customer-centric CRM, providing concrete proof that this CRM model is sustainable and produces the highly lucrative win-win benefits which organisations seek (Beasty, 2005; Hallberg:19, 2001; Gratehouse, 2002; Rowe, 2002).

In order to achieve excellence in customer service, organisations must embrace and implement a customer-centric CRM strategy that incorporates the critical aspects of excellent customer service, which are:

- expedient service delivery;
- open and honest communication;
- individual, personalised service;
- engendering customer loyalty;
- problem-solving;
- under-promising and over-delivering;
- meeting and exceeding expectations;
• implementation and efficient use of infrastructure, systems and procedures to facilitate efficient operations; and

• effective use of knowledge management with a focus on customer life cycle care (Kingstone, 2004, 2005; Zarbock, 2006).
3.1. Introduction

The previous chapters discuss the theoretical foundations for the present research, from which the motivation for this study was developed. This chapter examines:

- the objective and motivation of the research;
- the formulation of the problem statement and sub-problem;
- the issues of measurement used;
- the sample design and methods used;
- how the data was collected and the fieldwork practice;
- how the data was captured and edited and analysed; and
- the shortcomings and sources of error.

3.2. Objective of the Research

It is apparent that a large majority of people experience poor customer service (Freemantle, 1993). Exposure to customer service-related problems in the retail sector sparked the initial interest in this study. The objective of this research study is to investigate the theory behind the delivery of customer service excellence and on a practical level, to examine what type of customer service Lakeside Spar delivers.

3.3. Conceptualisation, Definitions and Key Variables

Leedy (1989) stipulates that true research is a course of action by which we endeavour to find, methodically and with evidence, the response to a question
or the resolve of a problem. He points out that this process has seven different features, in that:

- it begins with a question;
- it commands an unambiguous coherent aim;
- it necessitates an explicit course of action;
- it generally separates the main problem into more controllable sub-problems;
- it is cautiously directed by hypotheses;
- it only allows solid, quantifiable information in an effort to determine the problem that started the research; and
- by its definition, is cyclical in nature.

Ghauri, Grønhaug, and Kristianslund (1995) remark that research is a set of interrelated actions that open up over time thus, it has a definite point of departure in the problems studied. They note that any difficulty is represented in one way or the other, either implicitly or explicitly and how the problem is perceived, influences the:

- choice of research design;
- measurements;
- data collection;
- sample;
- data analysis; and
- recommendations.

Ghauri et al. (1995: 17-19) note that concepts are significant fundamentals in research that guide what is captured. They point out that the use of definitions can help accomplish clarity and accuracy and can be either conceptual or operational in nature but must contain a few useful properties in that:

- unique attributes or qualities should be pointed out in what is being defined;
- they must not be circular in nature;
- they must be positively stated; and
- they must use clear terms.
They recognise that models occupy a significant function in research as they are closely linked to the concept of theory and note that a few important features of models are:

- their representation;
- their simplification of the variables; and
- the relationship (s) that exist between the various variables (Ghauri et al., 1995:19-23).

The problem statement was formulated as a result of the researcher’s experience of poor customer service in the retail sector. The process, concepts and key variables were identified, as discussed by Leedy (1989) and Ghauri et al. (1995). The problem statement was formulated as a question; why are so many retail organisations falling short of delivering excellent customers service? This led to a sub-problem or question; how can retail organisations improve and deliver customer service excellence?

To better understand and formulate answers to the problem statement and sub-problem, a number of concepts needed to be considered. These concepts were formulated by asking additional questions:

- How does one define what customer service excellence is?
- Why is excellent service so rare?
- What are the various aspects that make up excellent customer service?
- What tools are needed to succeed in delivering excellent customer service?
- Which organisations have set the benchmark and are considered best practice organisations?
- How does one utilise knowledge management for strategic and competitive advantage?
- How important is employee training?
- What effect does the infrastructure of an organisation have on customer service? and
- What impact does commitment to service delivery have on the goals and strategic vision of an organisation?
As a result, a theoretical study of the relevant concepts and theories was explored before any research could begin (Ghauri et al., 1995). This theoretical study became the foundation of chapter two.

3.4. Issues of Measurement

3.4.1. Defining Measurement

Ghauri et al. (1995:40-41) define measurement as the “mapping of some properties” which contain rules for allocating “numbers or other numerals” to the empirical world. They note that numbers have no meaning to them unless assigned a quantitative function that utilises “statistical techniques for descriptive, explanatory, and predictive purposes”.

The old adage, as noted by Leedy (1989:20), “if it exists, then it can be measured” points out a definition of measurement, in that:

“measurement is the quantifying of any phenomenon, substantial or insubstantial, concrete or abstract, and involves the comparison of the data being measured to a preestablished standard”.

Leedy (1989:22) notes that measurement involves:

- the object;
- the aspect;
- the value to be measured; and
- the capacity engaged to calculate it as a comparison with a standard.

Thus, the actions used for gathering data for measurement depend largely on the quality of the information that is gathered (Ghauri et al., 1995:41). Trochim (2006) defines measurement as a course of action taken where a person will monitor and document observations as part of a research attempt.
3.4.2. Levels of Measurement

Various levels of measurement exist. It is at these different levels that certain properties will determine the mathematical and statistical function of measurement (Ghauri et al., 1995:44).

The nominal level on the empirical scale average measures equality. These measurements are used to classify objects or observations. Hence, numbers (1-0) or symbols (male-female) can be assigned to objects that are similar in nature. The ordinal level quantifies symbols in terms of higher or lower or greater or lesser, i.e. < or > (Leedy, 1989; Ghauri et al., 1995). Therefore, at the nominal and ordinal level, the present research study can be categorised as follows:

- gender: male-female;
- age: categorised into various age groups;
- language: primary home language;
- location: primary residence;
- shopping frequency;
- courtesy: is the sample made to feel welcome?
- service rating: classification of service levels by sample;
- availability: how available are employees to assist?
- attitude: the representation of the employees;
- service recovery: is there quick and efficient service? and
- improvement: ways of delivering a more pleasurable service experience.

The other levels as noted by Leedy (1989), Ghauri et al. (1995) and Trochim (2006) include:

- the interval level: which characterises equal units of measurement as well as its arbitrarily zero point. i.e. the difference between ‘1’ and ‘2’ = to the difference between ‘2’ and ‘3’; and
- the ratio level: which expresses values in terms of multiple and fractional parts and possesses a natural or absolute zero. i.e. 2:1 or 3:12 or 100 kilograms is twice as heavy as 50 kilograms.
3.4.3. Validity and Reliability

Ghauri et al. (1995:46) commented that validity is an important factor to consider when one captures measurement, as the observed measurement score may show (in some way or another) the true measurement score. They note that although measurements often contain errors, they may also reveal other factors such as:

- fluctuations in people’s responses;
- responses influenced by mood, situational factors, time pressures; and
- variations in measurement administration.

Leedy (1989:26-28) remarks that validity and reliability of measurement is often concerned with the efficacy and efficiency of the measuring instrument as it looks to the result of the measurement. He points out that validity and reliability raises questions as to what is measured and what must be measured, thus creating permanence.

There are other general types of validity as observed by Leedy (1989), Ghauri et al. (1995), and Trochim (2006), such as:

- face validity: “which relies on the extent the measure is used subjectively in accordance with the researcher’s best judgment”;
- criterion validity: “employs two measures of validity as a standard against which to measure data and thus, the data of the measuring instrument should have a high correlation with the corresponding information of the criterion”;
- content validity: “measures how accurately the measuring instrument extracts the needed data”;
- construct validity: “refers to the degree in which concepts ‘converge’ or ‘focus’ the results of the data being measured and uses a Multitrait-Multimethod matrix (MTMM)”;
- internal validity: “seeks to establish conclusions to changes of the dependant variable in relation to the influences of the independent variable without bias”; and
• external validity: “generalises the conclusions of a sample through observations”.

Therefore, in determining the course of action (Trochim, 2006), the data collected in the research study was categorised at the nominal and ordinal level. The nominal and ordinal levels permit the data to be classified, categorised and evaluated statistically in terms of percentiles, quartiles, median, and mean (Leedy, 1989).

The validity and reliability of the data in the empirical study was established by determining the peak trading times of Lakeside Spar. These peak times were identified by establishing the number of customers in any given hour by the value of goods purchased within that given hour. Therefore, the peak trading times for Lakeside Spar are:

• 11am – 2pm; and
• 4pm – 8pm

based on the concentration of customers in relation to the value of goods purchased (S. Paulsen, personal communication, August 3, 2008).

To further strengthen the research data, the days of the week on which to conduct the empirical study had to be decided. The empirical study was conducted over a four day period from a Friday, including the weekend, to the following Monday. These particular days were chosen for the following reasons:

• the start of the weekend trade usually generates a higher customer flow;
• there is greater potential to achieve optimal concentration of customers;
• they allow the inclusion of “passing trade” into the study, based on store location; and
• they are a good indicator of customer flow cycles, which occur at the beginning and end of a week.

An important factor that was considered was the time of month when the empirical study should be conducted, as this would have a direct impact on the population sample in terms of spending money.
To achieve the maximum input from the sample population, it was concluded that the optimal time to conduct the empirical study would be after the 25th day of the month as this would be the period when the majority of the sample population would have received their salaries, therefore generating demand for purchase (W. Meyer, personal communication, November 3, 2008).

3.5. Sample Design and Sampling Methods

3.5.1. Sampling Designs

There are several types of sampling designs available in descriptive research (Leedy, 1989:158-165; Ghauri et al., 1995:74-80) namely:

- simple random sampling;
- proportional stratified sampling;
- systematic sampling; and
- cluster sampling.

Therefore, the important characteristics of the total population must first be carefully analysed before any researcher can select the sampling technique most suitable for the population (Leedy, 1989:152).

3.5.2. Sampling Methods

Oppenheim (1966:1-4) notes that surveys cannot be judged as good or bad, efficient or inefficient, unless the design of the investigation is understood. He points outs that the entire survey design attempts to answer questions in terms of precision, logic-tightness and efficiency.

Leedy (1989:93-94) confirms that there are four fundamental questions that need to be answered in order to resolve data and notes that researchers need to identify:

- the data needed;
- the location of the needed data; and
- the interpretation of the data.
Leedy (1989:151-165) and Ghauri et al. (1995:73-80) remark that various types of sampling methods are available and the type of sampling methods or designs chosen by researchers depends on their selection of the population. Leedy (1989:152) comments that researchers should follow the general rule of carefully reviewing:

- the nature;
- characteristics; and
- quality of the data collected.

3.5.3. Probability and Non-Probability Sampling

Leedy (1989:153) comments that probability sampling is the specification of, and acceptance that, each segment of the population is representative in the sample and notes that sample composition draws from the units of a greater population.

Ghauri et al. (1995:74) agrees that probability sampling has known units, although not equal in nature, and is an essential part in assessing unknown parameters or illustrating valid inferences with reference to the population sample.

Leedy (1989:152-153) and Ghauri et al. (1995:74) comment that in non-probability sampling, it is not possible to forecast, estimate or guarantee that each factor in the population will be presented in the sample. Both authors agree that non-probability sampling can be divided into different groups, namely:

- convenience sampling uses units that are found to be convenient and makes no pretence of being representative of the population;
- quota sampling selects sub-groups of units in the same ratio as they are found in the population; and
- judgment sampling tries to draw a sample which is representative of the population.
3.5.4. Questionnaire Design and Use

Walonick (1997-2004) comments that there are various ways to collect information and explains that the integrity of the information collected, can assist in better decision making. This can be achieved through: literature searches, focus groups, personal interviews, telephone surveys, mail surveys, as well as self administered questionnaires (Oppenheim, 1966), each with its own set of the advantages and disadvantages.

Literature searches, as noted by Walonick (1997-2004), are a fairly inexpensive way of gathering information from readily available materials, but can be a timely process. He notes that talking with people generally yields information that is not publicly available and, although this method can prove valuable, the validity of the information is questionable as it can be highly subjective and might not represent the population.

He explains that focus groups are generally used to test new approaches or to discover customer concerns (Walonick, 1997-2004). These types of questionnaires are normally completed in a controlled environment to ensure that all the respondents answer the questions in the same order with the same time constraints (Oppenheim, 1966). Although this preliminary research technique is used to explore the ideas and attitudes of individuals, Walonick (1997-2004) points out that a few of the disadvantages can be the size of the sample as well as the cost implication in conducting the research.

Oppenheim (1966:31) notes that flexibility is one the the greatest advantages of personal interviews as this enables the interviewer to ensure that each respondent has understood the question as well as immediately classifying each response. This method allows the interviewer to receive in-depth and comprehensive information from respondents as well as allowing the respondents answers to be recorded verbatim (Walonick, 1997-2004). He comments that this method allows for a high degree of bias but still remains advantageous due to the richness and spontaneity of the information gathered by the interviewer (Oppenheim, 1966:31-32).
Self-administered questionnaires as noted by Oppenheim (1966:36) are usually introduced to the respondents by the interviewer where the interviewer explains the questionnaire and then leaves the respondents to complete it. This technique usually creates a high response rate with far more accuracy which is free from interviewer bias.

Oppenheim (1966:31-32) and Walonick (1997-2004) note that mail surveys are an ideal method for large sample sizes because of its cost effectiveness in gathering information. Mail surveys do not require any trained staff or fieldworkers to gather information (Oppenheim, 1966) and it eliminates the possibility of interview bias (Walonick, 1997-2004). The disadvantage with this method is; its lack of personal introduction by the interviewer; the possibility of vital questions being skipped by the respondents; as well as, its inability to probe respondents for more detailed information (Oppenheim, 1966).

Telephone surveys and written questionnaires are essentially the same. The interview process is followed with a prepared script thus allowing the interviewer the opportunity to prod for opinions (Walonick, 1997-2004).

A number of issues and assumptions had to be considered before the survey method could be selected. These include:

- population issues;
- sampling issues;
- question issues;
- content issues;
- bias issues; and
- administrative issues (Trochim, 2006).

The theoretical population included all individuals who reside in the Southern Suburbs and Cape Flats areas. It was assumed that the theoretical population would be literate and that no language barriers would be experienced while conducting the fieldwork study. It was also assumed that the theoretical
population would co-operate in the timeous completion of the questionnaire. The geographical restriction for the empirical study was Lakeside Spar.

Two thousand and seventy-one (See Appendix B) individuals reside in the Lakeside area of which 1566 individuals fall within the age criteria set for the empirical study. Lakeside Spar has approximately 1857 customers per day that purchase products (S. Paulsen, personal communication, September 10, 2008).

The sample frame included all customers that purchased products at Lakeside Spar. This sample frame was further sub-divided into the final sample of 100 individuals, irrespective of geographical location within the theoretical population areas. It was assumed that the common behavioural thread each individual shared was the fact that they (the sample) all purchased products at Lakeside Spar.

The age range of the individuals in the sample ranged from eighteen years old to eighty years old. The age range was further sub-divided into quantifiable age brackets. Of the 104 individuals, who were asked to complete the questionnaire, 100 individuals responded which represents a 96.15 percent response rate.

It was anticipated that the most frequent or important types of responses would be yes, no, not sure or occasionally. Therefore, close-ended questions were developed to facilitate these various types of responses from the sample population (see Appendix A). Other questions would elicit the respondents to indicate how often they purchased products at Lakeside Spar. The questions that required a text response included the respondents domicile and comments or suggestions, which were qualitative in nature. A five point Likert-type response format was used in question seven. The response scale ranged from:

- 1 = poor;
- 2 = average;
- 3 = good, which was substituted as the neutral point;
- 4 = very good; and
- 5 = excellent.
The questionnaire was extracted directly from the literature study and based on the aspects of customer service excellence. It was assumed that the respondents of the sample population would be, in some way or the other, familiar with the issues surrounding good customer service.

The sample population was given the assurance that their anonymity would be respected. Thus, the empirical study was completed by personally interviewing all the respondents of the sample population, which greatly reduced the chances of false responses.

Questions 1 to 3 focused on biographical information, such as:

- gender;
- age; and
- primary home language

These questions were correlated against the 2001 census survey to measure validity and reliability.

Question 4 asks: In which area do you live? This question focuses on the geographical location of each of the respondents in the sample. The objective of this question is to determine how wide the radius of the sample is, that purchases products at Lakeside Spar.

Question 5 asks: How often do you shop at Lakeside Spar? This question focuses on the shopping frequency of the sample. The objective of this question is to determine customer retention and customer loyalty as well as customer expectations.

Question 6 asks: do the staff at Lakeside Spar make you feel welcome? This question focuses on how valued the respondents feel at Lakeside Spar and is based on creating “moments of truth”, one of the aspects of service excellence. Thompson (2004) notes that, “value is created every time a customer is made to feel welcome, important, and valued”. The objective of this question is to
determine the attitudes of the respondents towards loyalty and their perception of value.

Question 7 asks: How would you rate the service at Lakeside Spar? This following set of questions, question 7 (a) to (d) focuses on how the sample rates the overall service at Lakeside Spar.

Question 7 (a) asks: are the shelves always fully stocked? This question focuses on exceeding customer’s expectations and delivering a high quality service.

Question 7 (b) asks: when advertising specials, does Lakeside Spar have sufficient stock and deliver on what it promises? This question focuses on quick service delivery, “under-promise” and “over-deliver” as noted by Blem (1995) and the creation of “moments of truth”.

Question 7 (c) asks: is the store clean and neat? This question focuses on how the sample perceives the appearance of the store and the impact the environment has on the customers who shop at Lakeside Spar. The objective of this question is to determine if Lakeside Spar offers their customers a pleasurable environment, which is another touch-point in creating “moments of truth”.

Question 7 (d) asks: does it have the products you need? This question focuses on exceeding customer’s expectations as well as determining if Lakeside Spar provides the products for the individual customer. The objective of this question is to determine if the sample believes that Lakeside Spar deliver economic value, which is, value-in-purchase, value-in-use, and value-in-disposal as noted by Blem (1995).

Question 8 asks: when needing assistance: (a) are the staff available? and (b) are they happy to help you?. These two questions focus on quick service delivery and having a positive attitude. The objective of this question is to determine if the sample agrees or disagrees, that the employees at Lakeside
Spar delivers a service that is quick as well as commenting on the attitude of the employees.

Question 9 asks: does Lakeside Spar handle your queries promptly and efficiently? This question focuses on the following aspects of customer service excellence, which reviews: open communication; follow-up and follow-through; after sales service; and three dimensions of RECOVSTAT (timely feedback, apology, and communication) as mentioned by Boshoff et al. (2005:3-7). The objective of this question is to establish if Lakeside Spar has a service recovery plan in place.

Question 10 asks: does Lakeside Spar encourage and act on feedback from you as the customer? The objective of this question is to determine if Lakeside Spar encourages feedback from their customers and reviews the aspects of turning obstacles into stepping stones; continuous evaluation and improvement.

Question 11 asks: do you have any suggestions as to how Lakeside Spar can improve its service to you? This question focuses on continuous evaluation and improvement.

3.6. Conclusion

This chapter covered the research design, the practical aspects of the research, the methods identified and used in the present research study, the design and layout of the questionnaire used in the empirical study, as well as the various considerations that have been taken into account.

The results of the data will be discussed in the following chapter.
Chapter 4

Data Analysis of the Empirical Study

4.1. Introduction

In Chapter 3, the research design, practical aspects of the research, and the methods used to implement the empirical study, are discussed.

This chapter reviews the eleven questions posed to the respondents of the survey and discusses the results of the data. The results of the data are presented in both a descriptive and graphical format. Each question posed to the respondents in the sample population are analysed and conclusions are drawn. The results contain both quantitative and qualitative aspects.

The average number of customers per day who shop at Lakeside Spar is 1857 (S. Paulsen, personal communication, September 3, 2008). The sample size of 100 respondent’s represents 5.39 percent of the daily population who shop at Lakeside Spar.

4.2. Data Analysis

Leedy (1989:174) explains that statistical aspects are assigned to data that are essentially quantitative in nature and notes that this inference, allows researchers to attach meaning to the data collected as well as aids them to distinguish areas that warrant further investigation. Ghauri et al. (1995:95) further support this comment and state that qualitative and quantitative data can be collected through qualitative methods.

Leedy (1989:174) points out that the type of data collected will determine the appropriate statistical procedure adopted and comments that data can be described and organised in four different ways:
• the kind of data: whether discreet or continuous;
• the scale of measurement of data: nominal, ordinal, interval, ratio;
• the number of groups from which data arise: one, two, or many groups; and
• variables: are they univariate, bivariate or multivariate.

The data for the empirical study was collected using a questionnaire. On completion of the fieldwork study, all questionnaires were checked for incomplete and failed response answers. Tables were then developed under each question to prepare the data for input. The data was captured into tables and edited for inconsistencies.

Before determining which method of analysis to use as stated by Leedy (1989) and Ghauri et al. (1995), the data first had to be rearranged and categorised in order to make it meaningful. The sample population was divided into male and female. The age range was between the ages of 18 years old and 80 years old for the empirical study. The age range was divided into three groups consisting of:

• 18 – 34
• 35 – 65, and
• 65 +

The variable labelled primary home language contained four attributes marked as:

• English;
• Afrikaans;
• Xhosa; and
• Other (relating to the other nine official languages as well as any other foreign language).

The majority of the questions in the questionnaire (see Appendix A) contained four attributes, which were ‘Yes’; ‘No’; ‘Note sure’; and ‘Occasionally’.
The variables in the empirical study, including their attributes, were measured in terms of: percentiles; ratios; and correlation analysis. Thus, the statistical methods applied to the data from the empirical study were descriptive in nature and integrated the measures of central tendency, variation, and correlation.

4.3. Shortcomings and Sources of Error

Oppenheim (1966:20-21) comments that all research is an endless fight against error and in an attempt to control the various variables, has left a multitude of possible sources of error which are not accounted for, such as:

- faults in survey design;
- errors in sampling;
- non response errors;
- bias due to question design and wording;
- unreliability or lack of validity of various techniques used;
- interview bias;
- respondent unreliability, ignorance, misunderstanding, shyness, or bias;
- bias in recording and coding the responses;
- errors in processing and statistical analysis; and
- faulty interpretation of the results.

The shortcomings and sources of error in the present research study are the following:

- the customer profile of the selected sample is representative, but only accounts for 5.39 percent of the daily population that purchase goods at Lakeside Spar. In addition, as the survey was conducted at specific times on specific days and not every day over 24 hours, the sample may not be 100 percent representative as it is possible that the demographics of the shoppers could change depending on the time and day in question;

- a generic model was developed from the literature study, based on the theory of the aspects of service excellence. Although this model shares similar traits with that of the SERVQUAL model designed by Zeithaml,
Parasuram and Berry (1990), the generic model covers 12 individual aspects as opposed to five different dimensions of the SERVQUAL model, which are:

- reliability;
- tangibles;
- empathy;
- assurance; and
- responsiveness.

Thus, the interpretation of the generic model, as well as the statistical methods applied to the empirical study could contain certain errors and inconsistencies.

- Other sources of error could include time limits, budget constraints, and human resources constraints placed on the research study;
- The methods used in selecting the sample and well as the collection of data could possibly have produced inconsistent results; and
- The design and layout of the questionnaire could result in inconsistent and false responses.

Therefore, careful attention was taken to ensure that any shortcomings or sources of error in the research study are dealt with in an effective manner.

### 4.4. Survey Data

In 2001, the City of Cape Town conducted a census survey where they interviewed, among others, individuals who live in the Lakeside and surrounding areas. The results of the census survey only act as verification to parts of this chapter.
4.4.1. Question 1

Gender

![Graph - demographics](image)

Figure 4.4.1: Graph - demographics

The sample consists of 100 respondents (N=100) as shown in figure 4.4.1. 63 of the respondents in the sample were female and 37 male. This represents a 2:1 ratio in terms gender. The 2001 census survey (See Appendix B) revealed that out of the total number of individuals surveyed (2071), 1566 individuals were between the ages of 18 – 65+, all of whom reside in the Lakeside area. 37.97 percent of the total were males in this age bracket and 39.64 percent were females in this age bracket.

4.4.2. Question 2

Age

Out of the 100 respondents as shown in figure 4.4.1:

- the smallest age group among the respondents at 8 percent is over the age of 65, of which 5 percent were female and 3 percent, male;
- 26 percent of the respondents were between the ages of 18 – 34, of which, 20 percent were female and 6 percent, male; and
66 percent of the respondents were between the ages of 35 – 64, of which, 38 percent were female and 28 percent, male.

Table 4.4.1: Age comparison - 2001 Census Survey and Spar Survey

<table>
<thead>
<tr>
<th>AGE:</th>
<th>2001 Census Survey</th>
<th>SPAR Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>18-34</td>
<td>271</td>
<td>270</td>
</tr>
<tr>
<td>Percentage</td>
<td>17.31</td>
<td>17.24</td>
</tr>
<tr>
<td>35-64</td>
<td>377</td>
<td>443</td>
</tr>
<tr>
<td>Percentage</td>
<td>24.07</td>
<td>28.29</td>
</tr>
<tr>
<td>65+</td>
<td>97</td>
<td>108</td>
</tr>
<tr>
<td>Percentage</td>
<td>6.19</td>
<td>6.90</td>
</tr>
<tr>
<td>Total</td>
<td>745</td>
<td>821</td>
</tr>
</tbody>
</table>

Table 4.4.1 shows the age bracket (18 – 65+) in the 2001 census survey and compares it to the SPAR survey, which reveals the following:
- there is a weak correlation in the age bracket 18-34; and
- there is a weak correlation in the age bracket 65+.

Table 4.4.2: 35-64 age bracket - 2001 Census Survey and Spar Survey

<table>
<thead>
<tr>
<th>AGE:</th>
<th>2001 Census Survey</th>
<th>SPAR Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>35-64</td>
<td>377</td>
<td>443</td>
</tr>
<tr>
<td>Percentage</td>
<td>45.98</td>
<td>54.02</td>
</tr>
</tbody>
</table>

The analysis of table 4.4.2 reveals that there is a strong correlation in the age brackets 35-64 between the 2001 census survey and the Spar survey.

This indicates that the predominant age bracket, which purchase goods at Lakeside Spar, is between the ages of 35-64.
4.4.3. Question 3

Language

Table 3 shows the language brackets in the 2001 census survey and compares it with the SPAR survey.

<table>
<thead>
<tr>
<th>Language</th>
<th>2001 Census Survey</th>
<th>SPAR Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>English</td>
<td>895</td>
<td>916</td>
</tr>
<tr>
<td>Percentage</td>
<td>43.22</td>
<td>44.23</td>
</tr>
<tr>
<td>Afrikaans</td>
<td>109</td>
<td>124</td>
</tr>
<tr>
<td>Percentage</td>
<td>5.26</td>
<td>5.99</td>
</tr>
<tr>
<td>Xhosa</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>Percentage</td>
<td>0.14</td>
<td>0.58</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Percentage</td>
<td>0.29</td>
<td>0.29</td>
</tr>
<tr>
<td>Total</td>
<td>1013</td>
<td>1058</td>
</tr>
</tbody>
</table>

The SPAR survey reveals that:
- English is the predominant language spoken, comprising 87 percent of the total sample size.
- Afrikaans 9 percent;
- Xhosa 1 percent; and
- other languages (Zulu, Ndebele and German) at 3 percent.

The 2001 census survey reveals that:
- 87.45 percent are English speaking;
- 11.25 percent Afrikaans;
- 0.72 percent Xhosa; and
- 0.58 percent accounts for other African languages and other languages.

Therefore, the language correlation in the 2001 census survey compared with the SPAR survey is very strong.
Reviewing questions 1 to 3, we can conclude that the Spar survey compared to the 2001 census survey is representative of the population with reference to; Age; Gender; and Primary language.

4.4.4. Question 4:
In which area do you live? E.g. Lakeside

Figure 4.4.2: Graph - location

Out of the 100 respondents as shown in figure 4.4.2:

- 58 percent of the respondents live in the Lakeside area;
- 10 percent live in the Muizenberg area;
- 7 percent live in the Fish Hoek area;
- 5 percent live in the Strandfontein area;
- 4 percent live in the Bergvliet area;
- 4 percent live in the Kirstenhof area;
- 4 percent live in the Retreat area;
- 4 percent live in the Constantia area;
- 3 percent live in the Oranjezicht area; and
- 1 percent live in the Blouberg area.

Therefore, 96 percent of the respondents live within a 12km radius of Lakeside Spar.
4.4.5. Question 5:

Table 4.4.4: Adaptation of a Likert-type Response Format

<table>
<thead>
<tr>
<th>Everyday or more</th>
<th>2-5 times/week</th>
<th>Once/week</th>
<th>Once/month</th>
<th>Occasionally</th>
</tr>
</thead>
</table>

How often do you shop at Lakeside Spar?

![Shopping frequency graph](image)

- 26 percent of the sample size responded that they shop at Lakeside Spar two to three times a day;
- 38 percent responded that they shop at Lakeside Spar between 2-5 times per week; and
- 16 percent of the respondents shop at Lakeside Spar once per week.

Therefore, 80 percent of the sample population responded that they shop at Lakeside Spar at least once a week.

From the data received in response to this question, it appears that Lakeside Spar retains its customers based on the frequency of repeat business and the
customer's perception of value (Payne et al., 1995:183-184). It further indicates that customer's expectations are being met through their perceived value-in-purchase, value-in-use and value-in-disposal (Blem, 1995: 27-28).

4.4.6. Question 6:

Do the staff at Lakeside Spar make you feel welcome?

Out of the 100 respondents as shown in figure 4.4.4:

- 92 percent of the respondents answered “yes” to this question;
- 6 percent noted that they occasionally feel welcome; and
- 2 percent of the respondents commented that they were not sure and noted that they never really took notice.

This positive response indicates that the employees at Lakeside Spar consistently try to make the customers shopping experience a pleasurable one, thereby creating “moments of truth” for their customers at every contact point (Blem, 1995:61).
4.4.7. Question 7:

How would you rate the service at Lakeside Spar? (1-poor; 3-good; 5-excellent)

Table 4.4.5: Five-point Likert Response Scale

<table>
<thead>
<tr>
<th>Poor</th>
<th>Average</th>
<th>Good</th>
<th>Very Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

a) Are the shelves always fully stocked?

Out of the 100 respondents as shown in figure 4.4.5:

- 2 percent rated Spar poor;
- 1 percent rated them average;
- 27 percent rated Spar as good;
- 40 percent of the respondents rated them as very good; and
- 30 percent rated them excellent;

Therefore, 97 percent of the total sample responses ranged from good to excellent.
This positive response indicates that the management and employees consistently strive to provide a full product offering for their customers.

The 2 percent of customers that rated Lakeside Spar poor on this question noted that they used to shop for very specific items that Spar no longer stocks.

b) When advertising specials, does Lakeside Spar have sufficient stock and deliver what it promises?

Out of the 100 respondents as shown in figure 4.4.6:

- 4 percent of the respondents commented that they never really took note of the specials advertised;
- 31 percent rated Lakeside Spar as good;
- 35 percent rated Lakeside Spar as very good; and
- 30 percent rated Lakeside Spar as excellent.

Therefore, 96 percent of the total sample responses ranged from good to excellent.

It is evident from the data gathered from this question that when Lakeside Spar experiences stock shortages, management make every effort to ensure they
deliver on what was promised. According to Blem (1995: 18-22), when an organisation strives to under-promise and over-deliver it creates customer satisfaction at every “moment of truth”.

c) Is the store clean and neat?

Out of the 100 respondents as shown in figure 4.4.7:

- 11 percent rated Lakeside Spar good;
- 41 percent rated Lakeside Spar as very good; and
- 48 percent rated Lakeside Spar excellent.

Therefore 100 percent of the total sample responses ranged from good to excellent.

The positive response to this question indicates that management and staff at Lakeside Spar consistently try to ensure that the store is clean, tidy, and presentable, which according to Blem (1995), is another touch-point in creating a “moment of truth”.
d) Does it have the products you need?

Out of the 100 respondents as shown in figure 4.4.8:

- 2 percent rated Spar as poor;
- 5 percent rated Spar as average;
- 15 percent rated Lakeside Spar as good;
- 40 percent rated it between as very good; and
- 38 percent of the respondents rated it excellent.

Therefore, 93 percent of the total sample responses ranged from good to excellent.

This positive response indicates that Lakeside Spar caters for the requirements of the majority of their customers.

The 5 percent of the respondents who rated Lakeside Spar as average noted a few reasons why Lakeside Spar received this particular rating:

- they specifically commented about certain items that Lakeside Spar no longer offer in their product range; and
- the occasional shift of product displays which made it fairly frustrating for the customers to find certain items that they generally purchased.
The 2 percent of the respondents who rated Lakeside Spar poor on this question said that it should carry a larger range of speciality breads and cakes as it does not cater for individuals who enjoy rye products.

A further point to note is that these comments made by the 2 percent of customers, form part of the 11 percent of customers who shop at Lakeside Spar only occasionally.

4.4.8. Question 8:

When needing assistance:

![Employee Assistance](image)

**Figure 4.4.9: Graph - quick service delivery and positive attitude**

a) Are the staff available?

Out of the 100 respondents as shown in figure 4.4.9:

- 1 percent commented no;
- 2 percent commented that the staff are occasionally available; and
- 3 percent were not sure; and
- 94 percent responded positively to this question.

This positive response indicates that the sample agrees that:

- management and staff at Lakeside Spar are available; and
- deliver quick service.
b) Are they happy to help you?

Out of the 100 respondents as shown in figure 4.4.9:

- 5 percent commented that the employees of Lakeside Spar were available on occasion;
- 3 percent were not sure and therefore could not give comments to this particular set of questions; and
- 92 percent responded positively to this question and noted that the employees were happy to help them.

Based on the response to this question by the majority of the sample population, it is evident that the customers who shop at Lakeside Spar feel that the attitude of the organisation is a positive one and that this positive and friendly attitude imparts to the individual behaviours of the employees (Timm, 2001:107–113).

4.4.9. Question 9:

Does Lakeside Spar handle your queries promptly and efficiently?

Out of the 100 respondents as shown in figure 4.4.10:

- 2 percent of the respondents noted that their queries are not handled in a prompt and efficient manner;

![Query Handling](image)
• 5 percent of the respondents commented that Lakeside Spar occasionally handled their queries in a prompt and efficient manner;
• 50 percent of the respondents commented that they were not sure if Lakeside Spar handles queries promptly and efficiently; and
• 43 percent of the total sample population responded positively to this question.

Based on the response by the sample population to this particular question, it is evident that Lakeside Spar does not have an effective system in place to accommodate customer complaints and queries.
4.4.10. Question 10:

Does Lakeside Spar encourage and act on feedback from you as the customer?

Out of the 100 respondents as shown in Figure 4.4.11:

- 6 percent of the respondents noted that Lakeside Spar does not encourage feedback;
- 6 percent of the sample said that Lakeside Spar occasionally encourages and acts on feedback from them as customers;
- 57 percent of the respondents commented that they were not sure if Lakeside Spar does encourage and act on feedback from them as customers; and
- 31 percent of the total sample responded positively to this question.

The 69 percent of customers whose responses ranged from No to Not sure, further validate that Lakeside Spar does not have a system to monitor service complaints and feedback from their customers.
4.4.11. Question 11:

Do you have any suggestions as to how Lakeside Spar can improve its service to you?

![Respondents Comments](image)

Figure 4.4.12: Graph - comments made by the sample

Out of the 100 respondents as shown in figure 4.4.12:
- 17 percent of the respondents had no comments;
- 47 percent of the respondents noted that Lakeside could improve its service;
- 28 percent of the respondents were satisfied with the service; and
- 8 percent noted that Lakeside Spar delivers excellent service.

The general comments noted by 47 percent of the sample were as follows (See Appendix C):
- N1 commented that they should sell alcohol after 5pm on Saturdays and Sundays;
- N5 commented that the security guard could be more friendly, the car park was is a dreadful state and that the grocery shelves needed a bit of improving;
- N6 commented that similar products are not in the same place and that he had to constantly look for items;
- N7 noted that the bread they sold was not up to standard;
• N8 commented that the slicer machine in the deli needed to be sharpened;
• N10 and N27 commented that Lakeside Spar needed to stock a better variety of cat food;
• N14 noted that the ladies at the tills needed to smile;
• N16 commented that the butchery needed to improve the quality and price of their meat products;
• N22 noted that the butchery needed to sell mince in 500g packs;
• N23 commented that Lakeside Spar needed to improve their queuing system for purchasing electricity;
• N25 noted that Lakeside Spar needed to have aisle indicators to better identify where certain products are;
• N31 commented that they should stock jalapeno chillies;
• N32 noted that management needs to smile;
• N36, N51, N52, N71 and N72 commented that the products that Lakeside Spar sells are a little expensive;
• N40 noted that the bakery needed to stock a better variety of doughnuts;
• N41 commented that the bakery needs to stock a larger range of garlic breads;
• N43 noted that the butchery needed to accommodate for the individual tastes of its customers;
• N44 noted that Lakeside Spar needs to carry a better wine selection;
• N53, N54, N57, N65 and N99 note that the quality of the bakery needs to improve;
• N60 commented that the fruit and vegetable department needed to sell fresher produce and that the staff at the bakery and tills needed to be a little more friendly;
• N61-62 commented that the bakery should stock 100 percent Rye products;
• N64 noted that Lakeside Spar needed to reduce their prices on out of season products in the fruit and vegetable department;
• N66 commented that the fruit and vegetable department could improve their pre-packaged goods;
• N69 noted that Lakeside should not pack breakable items on the bottom shelves of their display cabinets as it might be damaged by the baskets the customers are carrying;
• N70 commented that Lakeside Spar should stock other foods such as ox livers;
• N77-78 noted that the bakery should sell individual rolls to its customers;
• N82 commented that Lakeside Spar should stock greater quantities of Mills cigarettes;
• N84 commented that Lakeside Spar should consider introducing subway sandwiches into their selection of products;
• N88 commented that they need to stock “pap en vleis”;
• N89 noted that Lakeside Spar were not competitively priced;
• N90 commented that Lakeside Spar should consider selling mobile airtime at the tills;
• N91 commented that the bakery should sell a larger selection of express foods;
• N92 noted that the staff at Lakeside should be better trained to handle queries and complaints;
• N94 commented that Lakeside spar should have a nightshift to replenish products that were sold in the daytime;
• N97 suggested Lakeside Spar re-stock Millerton coffee; and
• N100 commented that Lakeside Spar should stock pork pies. This respondent also noted that Lakeside Spar should ensure they have staff available to handle queries and complaints.

The general comments noted by 28 percent of the sample were as follows (See Appendix D):
• The only comment the following respondents (N9, N20, N28-N30, N33, N34, N38, N39, N42, N45-N48, N55, N56, N73, N79-N81, N87, N93, and N98) had, is that they were happy with the service they received at Lakeside Spar;
• N58 & N68 commented that they were satisfied with the service; and
• N75 commented that she receives a seniors discount at Lakeside Spar and is a very happy customer.

The general comments noted by 8 percent of the sample were as follows (See Appendix E):
• N26, N67, and N83 commented that Lakeside Spar offers excellent service;
• N49 and N50 noted that the meat that Lakeside Spar sells is excellent. They also commented that the store had a better look and that the security guard was friendly; and
• N35, N63, and N76 commented that Lakeside Spar offers brilliant service.

Therefore, 36 percent of the sample responded positively to this question.

4.5. Conclusion

In this chapter, the results of the empirical study were tabulated and analysed. The findings reveal certain areas in which Lakeside Spar has service gaps. These service gaps are discussed in the next chapter. However, customers are generally satisfied with the service and rate it as very good. Most customers confirmed that they are made to feel welcome by the staff, the staff is helpful, the store is well stocked and clean, and Lakeside Spar delivers what it promises.
Chapter 5
Recommendations and Conclusion

5.1. Introduction

The objective of this concluding chapter is to integrate the results obtained from the empirical study with the literature review as well as to provide a summary of the research associated with the problem statement and the sub-problem.

5.2. Synopsis of the Problem Statement and Sub-Problem

Chapter 1 introduced the problem statement as well as the sub-problem, which identified the following questions:

- Why are so many retail concerns falling short of delivering excellent customer service? and
- How can retail organisations improve customer service excellence?

The main question was: Why are so many retail organisations falling short of delivering excellent customer service? The research study determined that a few of the reasons why retail organisations are falling short of delivering excellent customer service are:

- most of the employees of retail organisations are not familiar with the basics of customer service;
- employees perform their duties without a clear indication of how to attract and retain customers; and
- management provide insufficient support.

The subsequent question asked: How can retail organisations improve customer service excellence? It was determined that in order to deliver excellent customer service, organisations need to consider the various aspects that are involved.
From the literature study, it can be determined that the characteristics of customer service excellence are:

- the identification and assessment of customers needs (Katz, 1988) and the creation of moments of truth at every contact point (Blem, 1995) through delivering quick service (Freemantle, 1993) which is of a high quality standard (LeBoeuf, 1991);
- the continuous evaluation and improvement of methods of service delivery (Pycraft \textit{et al.}, 2002);
- the adoption of an organisational culture where honesty and open communication is the best policy (Linton, 1995);
- the display of a positive attitude (LeBoeuf, 1991) in pursuit of exceeding customers expectations (Timm, 2001), and by so doing, adding value (Smith \textit{et al.}, 2004);
- the practice of consistently following-up with customers, which in turn, creates a relationship of trust between the employee and customer (Timm, 2001) and strengthens the organisations value position; and
- the use of the organisation's knowledge management (Gibbert \textit{et al.}, 2002:464-466) to enhance employee training (Blem, 1995:116; Brown, 1989:90), the infrastructure of the organisation (Freemantle, 1993:89-90), and the commitment to the goals and strategic vision of the organisation (David, 2005:54).

\section*{5.3. Summary of the Research Findings}

The empirical study revealed the following salient points in relation to the quality of customer service at Lakeside Spar:

- the overall responses of the eleven questions posed to the sample size were positive;
- question 4 asked: In which area do you live? The results revealed that 96 percent of the respondents live within a 12 kilometre radius of the Lakeside Spar;
question 5 asked: How often do you shop at Lakeside Spar? The results revealed that 80 percent of the sample population purchase goods at Lakeside Spar at least once per week;

question 6 asked: Do the staff at Lakeside Spar make you feel welcome? 92 percent of the sample answered yes to this question;

question 7 (a) asked: Are the shelves always fully stocked? The results revealed that 97 percent of the total sample responses ranged from good to excellent yet, only 30 percent rated Lakeside Spar as excellent;

question 7 (b) asked: When advertising specials, does Lakeside Spar have sufficient stock and deliver what it promises? The results revealed that 96 percent of the sample responses ranged from good to excellent yet, only 30 percent rated them excellent;

question 7 (c) asked: Is the store clean and neat? The results revealed that 100 percent of the sample responses ranged from good to excellent yet only 48 percent rated Lakeside Spar as excellent;

question 7 (d) asked: Does it have the products you need? The results revealed that 93 percent of the sample responses ranged from good to excellent, yet only 38 percent rated them excellent;

question 8 (a) asked: Are the staff available? The results revealed that 94 percent responded positively to this question;

question 8 (b) asked: Are they happy to help you? 92 percent of the sample responded yes to this question;

question 9 asked: Does Lakeside Spar handle your queries promptly and efficiently? The results revealed that only 43 percent responded positively to this question;

question 10 asked: Does Lakeside Spar encourage and act on feedback from you as the customer? The results revealed that only 31 percent responded positively to this question; and
• question 11 asked: Do you have any suggestions as to how Lakeside Spar can improve its service to you? Only 36 percent of the sample responded positively to this question.

5.4. Recommendations

It is apparent that while Lakeside Spar is rated by the majority of the respondents as providing very good customer service, it has gaps in its service offering. Customers reported that:

• Lakeside Spar handles queries and complaints poorly;
• it does not encourage and act on feedback from customers; and
• its fresh produce quality is not consistently up to standard (butchery, bakery and fruit and vegetable departments).

These gaps can be addressed through identifying and implementing a process or system that will effectively and efficiently review customer queries and complaints, which will enable the management of Lakeside Spar to act upon the individual requests of their customers, thereby improving customer satisfaction and service.

5.5. Conclusion

Today’s retail sector has evolved into a living, breathing concept from yesteryear (Kotler, 2003). Retail organisations must be in the forefront and understand how the latest technologies, fluctuations in the economy, and the changing needs and wants of the modern consumer, impact on their businesses. This is especially true for the South African retail sector as it establishes an international presence in Africa and globally. The change in consumer behaviour and the global economy has forced retail organisations to review their strategies on how to deliver excellent customer service. Best-practice organisations realise that traditional customer relationship management programmes contain a few limitations and have therefore implemented
customer relationship management programmes, which focus on the characteristics that enable organisations to deliver excellent customer service.

As mentioned previously, one of the critical success factors for Tesco being classified as a best practice organisation was that they have a robust customer strategy in place. This allows the organisation to align its products and services to their customer strategy. Previously, Tesco had a poor image among consumers and thus the organisation set about reinventing the brand. They first embarked on a major investment program to upgrade all their stores. Secondly, they radically improved the quality, and range of products sold and introduced new lines of convenience and health foods. Thirdly, the organisation focused on “value for money” to the customer. This was further supported by the organisation making a host of organisational changes where Tesco employees were reorganised into teams centred around product categories and given responsibilities where the employees selected products based on price, quality, service, innovation, and customers’ changing expectations. Tesco then turned to technology, launching their highly successful loyalty card, which allowed the organisation to develop extensive knowledge of their customer base. This allowed Tesco to separate its customers according to purchases, location, and life stage. Tesco has carefully tailored its offering to customers, adapted its business processes and added technology for online shopping. Because Tesco allowed the organisation to think through the customer experience every step of the way, it is now the world’s largest online grocer (Gillies, Rigby & Reichheld, 2002).

Today, Woolworths is one of South Africa’s leading retail chains and extends throughout Africa and into the Middle East. It has remained true to its core values of quality, integrity, value, and innovation and continually strives to make a difference in the lives of its customers. Woolworths has become a benchmark for excellence because it understands the value of experience branding and creating an in-store ambience, which leads to customer satisfaction and loyalty. The success of Woolworths has been its policy of continually incorporating innovative developments across the business. This understanding of the
customers’ changing expectations has allowed Woolworths to adapt to the changing demands of their customers and allowed them to optimise their customer relationship management programme, as well as their inventory and data management systems through the introduction of their enterprise resource planning (ERP) applications and their e-CRM programme (Anon, 2006; Inbox Digital, n.d.).

The pursuit of customer service excellence is not confined to the parameters of the retail sector. All organisations, irrespective of industry, deliver customer service in one way or the other. Best-practice organisations harness the ability to understand their customers changing needs and expectations and adopt tools or systems that are in-line with their customer strategy. An organisation’s success is largely driven by its customers perceptions of value, included in which is their experience of customer service delivery. The author is accordingly of the opinion that all organisations should consider adopting processes and systems, for example, customer-centric CRM, to ensure delivery of excellent customer service.
Bibliography


http://www.destinationcrm.com/print/default.asp?ArticleID=5865

Please Rate Our Service to You

1. Sex: [M] [F]
2. Age: [ ] 18-25 [ ] 26-34 [ ] 35-64 [ ] 65 +

3. Primary Language: [ ] English [ ] Afrikaans [ ] Xhosa [ ] Other

4. In which area do you live? E.g. Lakeside

5. How often do you shop at Lakeside Spar?

   [ ] Everyday or
   [ ] 2-5 times/week
   [ ] Once/week
   [ ] Once/month
   [ ] Occasionally

6. Do the staff at Lakeside Spar make you feel welcome?

   [ ] Yes
   [ ] No
   [ ] Occasionally
   [ ] Not sure

7. How would you rate the service at Lakeside Spar? (1-poor; 2-acceptable; 3-good; 4-very good; 5-excellent)

   a. Are the shelves always fully stocked? [ ] [ ] [ ] [ ] [ ]
   b. When advertising specials, does Lakeside Spar have sufficient stock and deliver on what it promises? [ ] [ ] [ ] [ ] [ ]
   c. Is the store clean and neat? [ ] [ ] [ ] [ ] [ ]
   d. Does it have the products you need? [ ] [ ] [ ] [ ] [ ]

8. When needing assistance:

   a. Are the staff available
      [ ] Yes [ ] No [ ] Occasionally [ ] Not sure
   b. Are they happy to help you
      [ ] Yes [ ] No [ ] Occasionally [ ] Not sure

9. Does Lakeside Spar handle your queries promptly and efficiently?

   [ ] Yes [ ] No [ ] Occasionally [ ] Not sure

10. Does Lakeside Spar encourage and act on feedback from you as the customer?

    [ ] Yes [ ] No [ ] Occasionally [ ] Not sure

11. Do you have any suggestions as to on how Lakeside Spar can improve its service to you?

    ___________________________________________________
    ___________________________________________________
    ___________________________________________________
    ___________________________________________________
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# APPENDIX D

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