

**CUSTOMER EXPERIENCE IN THE GROCERY RETAIL SECTOR  
IN SOUTH AFRICA**

DONOVAN LEANDER

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**SUPERVISOR: PROFESSOR MARGARET CULLEN**

**CO-SUPERVISOR: DOCTOR CARLIEN JOOSTE**

## **DECLARATION**

I, Donovan Richard Leander, with student number s211248428, hereby declare that the treatise for the degree Master's in Business Administration is my own work and that it has not previously been submitted for assessment or completion of any postgraduate qualification to another University or for another qualification.

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## **ABSTRACT**

Customer Experience (CX) is the measurement of interaction between a customer and an organisation over a long time. Customer Experience is a strategic marketing effort that aims to improve the customer journey and touchpoints with the organisations' product and services. It involves the complete customer journey – starting with the search process, purchase and after-sale processes of the experience. Google Trends identified that online users from all over the world search the key words "Customer Experience" more, often than not.

This study considered a reliable measure for Customer Experience. This study endeavours to explore Customer Experience in the grocery retail sector in South Africa to put customer needs at the centre of their business. Extensive research on Customer Experience exist, however Customer Experience in the grocery retail sector in South Africa has not been measured using Professor Phillip Klaus's new scale in CX.

A broad literature review was conducted and Factors influencing Customer Experience in the grocery retail sector were identified and explored. The academic literature selected for the study is founded in the academic theories of Experienced Utility and Service-Dominant (S-D) Logic. The literature formed the foundation for the conceptual model that included the proposed Brand Experience (BE), Service Experience (SE) and Post-purchase / Consumption Experience (PE) independent factors.

This treatise formed part of a bigger study of Customer Experience undertaken, using a questionnaire distributed via email, which 858 respondents completed. The study was quantitative. Data analysis included the use of descriptive and inferential statistics, Exploratory Factor Analysis, Reliability and Validity of Measurement, One-Sample T-Tests and the measurement of relationship between the factors.

There is a need for companies to explore and understand CX in order to differentiate themselves strategically and to improve the bottom line. This study contributes to the body of knowledge by using academic literature and theories to explore Customer Experience in the grocery retail sector in South Africa. BE involves the customers' perception of the brand and influence the customer's experience. Customers look for clues to help inform their SE and expect companies to know their product and basic service promise.

The findings of the study identified that BE and SE had a positive and significant influence on each other. Customers will show signs of commitment to an organisation during a positive PE. Similarly, the findings concluded that PE and CX had a statistical and practical significant positive correlation. PE was highlighted as a key determinant of CX. A positive CX will lead to a repeat purchases. Marketing managers need to take into account these factors when formulating CX strategies to influence the bottom line of the organisation.

This study concludes with managerial recommendations that the grocery retail sector can implement to influence CX. Some of the recommendations include the appointment of a professional to manage all social media content; training and development opportunities for employees to enhance customer and shopping experience; and the use of customer data from loyalty programmes to promote personalised offers. In summary, a continuous review of CX with the emphasis on PE is recommended, to understand the changing needs of customers in the grocery retail sector.

**Key Words:** *Customer Experience, Grocery Retail Sector, Brand Experience, Service Experience, Post-Purchase / Consumption Experience.*

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## **LIST OF ABBREVIATIONS**

Below is a list of abbreviations frequently used throughout this study.

<b>Abbreviation</b>	<b>Phrases in Full</b>
ANOVA	Analysis of Variance
BE	Brand Experience
CX	Customer Experience
CXQ	Customer Experience Quality
df	Degrees of Freedom
DF	Dependent Factor
EFA	Exploratory Factor Analysis
FMCG	Fast-Moving Consumer Goods
IF	Independent Factor
MBA	Master's of Business Administration
MANOVA	Multivariate Analysis of Variance
NMU	Nelson Mandela University
PE	Post-Purchase / Consumption Experience
RAP	Research Alignment Plan
REC-H	Research Ethics Committee – Human
RO	Research Objective
RQ	Research Question
SD	Standard Deviation
S-D	Service-Dominant
SE	Service Experience
URL	Uniform Resource Locator
US	United States



## **CHAPTER 1: INTRODUCTION AND PROBLEM STATEMENT**

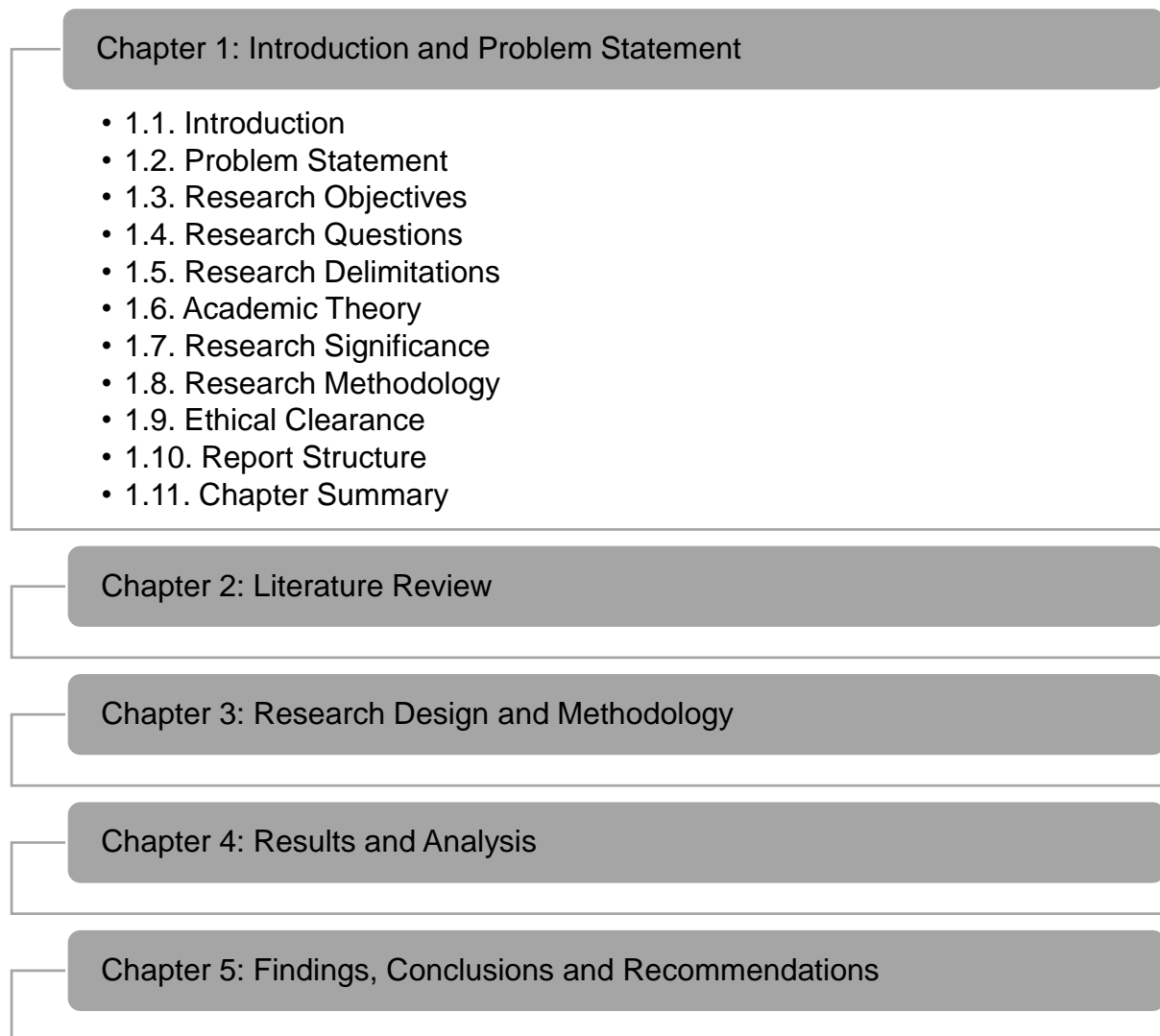
### **1.1. INTRODUCTION**

Customer Experience (CX) is defined as the internal and subjective response customers have with a company or product. It is about putting customer needs at the centre of what a company needs to do, by ensuring that all touchpoints along the customer journey are positive (Maynes & Rawson, 2016). CX aims to improve the customer journey and touchpoints with the organisations product and services. Amenuvor, Owusu-Antwi, Basilisco, and Seong-Chan (2019) explain that CX is crucial as it increases customer loyalty, confidence in the brand and ultimately enhances customer satisfaction.

CX involves the complete customer journey – starting with the search process, consumption or purchase and after-sale period of the complete experience (Verhoef et al., 2009). The complexity of CX has led to a managerial need to understand customers, which has become an important management objective (Lemon & Verhoef, 2016). Organisations must understand and manage the CX to strategically obtain a competitive advantage and differentiation from competitors.

The grocery retail sector leads the Fast-Moving Consumer Goods (FMCG) sector (Megicks, Memery & Williams, 2008). Grocery retail stores are the primary destination for food purchases and continue to dominate retail food sales (Glanz, Bader & Iyer, 2012). This study aims to understand and explore CX in the grocery retail sector in South Africa.

Chapter 1 outlines the purpose of this study. The problem statement, research objectives, research statement, research delimitations, research significance and research methodology are briefly discussed. The structure of the chapter is outlined in Figure 1.1.



*Figure 1.1. The Framework for Chapter 1 (Source: Author's own construct).*

## **1.2. PROBLEM STATEMENT**

Google Trends identified that the keywords “Customer Experience” are being searched more by online users from all over the world (Maestri & Sassoon, 2017). Kuppelwieser and Klaus (2020) highlight that Marketing managers have shown extensive interest in CX in recent years. McColl-Kennedy et al. (2019) explain that there is limited research to guide marketing managers on how to gain important insights that arise throughout the customer experience. Organisations realise that today’s customers have more choices and channels to pursue (Meyer & Schwager, 2007), which makes understanding CX important.

Research leads to improve understanding and management of the touchpoints in the customer journey. Klaus (2020) emphasises that organisations should focus on the one thing that they can control – the experiences their customers have with them. This leads to the problem statement of this study, which is that *Customer Experience in the grocery retail sector in South Africa has not been measured using Professor Phillip Klaus's new scale* (Kuppelwieser & Klaus, 2020).

### 1.3. RESEARCH OBJECTIVES

The main research objective of this study is as follows: **RO<sub>M</sub>:** *Explore Customer Experience in the grocery retail sector in South Africa in order to put customer needs at the centre of their business.* The following secondary research objectives (RO) have been identified, in order to achieve the main research objective of this study:

**RO<sub>1</sub>:** Review definitions and theories of Customer Experience.

**RO<sub>2</sub>:** Review the grocery retail sector literature.

**RO<sub>3</sub>:** Determine the factors that influence Customer Experience.

**RO<sub>4</sub>:** Establish the most appropriate research design and methodology and explain with sufficient detail for future studies.

**RO<sub>5</sub>:** Determine which factors have a significant influence on Customer Experience in the grocery retail sector.

**RO<sub>6</sub>:** Formulate managerial recommendations to improve Customer Experience in the grocery retail sector in South Africa.

### 1.4. RESEARCH QUESTIONS

The main Research Question (RQ<sub>M</sub>) was formulated based on the Problem Statement discussed in Section 1.2 and is as follows: **RQ<sub>M</sub>:** **How can the grocery retail sector put customer needs at the centre of their business, which results in a good Customer Experience?**

The supporting research questions (RQ) were developed to assist in answering the main research question:

**RQ<sub>1</sub>:** What is the definition of Customer Experience?

**RQ<sub>2</sub>:** What defines the grocery retail sector?

**RQ<sub>3</sub>:** What are the factors that influence Customer Experience?

**RQ<sub>4</sub>:** What research design will be used in this study?

**RQ<sub>5</sub>:** What are the relationships between the independent and dependent factors, identified from literature, of Customer Experience in the South African grocery retail sector?

**RQ<sub>6</sub>:** What recommendations can be suggested to improve Customer Experience in the grocery retail sector in South Africa?

The Research Alignment Plan (RAP) details the steps necessary to address each research question, its accompanying research objective and the overall treatise framework. Table 1.1. outlines the RAP for this study and is included below.

*Table 1.1. The Research Alignment Plan (Source: Author's own construct).*

<b>Title:</b> Customer Experience in the grocery retail sector in South Africa			
<b>Main Research Problem:</b> Customer Experience in the grocery retail sector in South Africa has not been measured using Professor Klaus's new scale.			
<b>Research Objective (RO):</b> Explore Customer Experience in the grocery retail sector in South Africa to put customer needs at the centre of their business.			
<b>Main Research Question (RQ<sub>M</sub>):</b> How can the grocery retail sectors put customer needs at the centre of their business, which results in a good Customer Experience?			
<b>Chapter</b>	<b>Secondary Research Questions</b>	<b>Research Objectives</b>	<b>Deliverables</b>
Chapter 2: Literature Review	What is the definition of Customer Experience?	Review definitions and theories of Customer Experience.	Literature Review
Chapter 2: Literature Review	What defines the grocery retail sector?	Review the grocery retail sector literature.	Literature Review
Chapter 2: Literature Review	What are the factors that influence Customer Experience?	Determine the factors that influence Customer Experience.	Literature Review

Chapter 3: Research Design and Methodology	What research design will be used in this study?	Establish the most appropriate research design and methodology and explain with sufficient detail for future studies.	Research Methodology
Chapter 4: Analysis and Results	What are the relationships between the independent and dependent factors of Customer Experience in the grocery retail sector in South Africa?	Determine which factors have a significant influence on Customer Experience in the grocery retail sector.	Empirical Study
Chapter 5: Findings, Conclusions and Recommendations	What recommendations can be suggested to improve Customer Experience in the grocery retail sector in South Africa?	Formulate managerial recommendations to improve Customer Experience in the grocery retail sector in South Africa.	Recommendations

### **1.5. RESEARCH DELIMITATIONS**

The research explored Customer Experience in the grocery retail sector in South Africa. Customer Experience is explored across all sectors of business, however this study will focus on this sector. The study targeted grocery retail customers residing in South Africa.

E-mail directories of the South African population for the grocery retail sector are not available, therefore a sampling frame does not exist. In order to reach the sample size, online survey invitations were distributed via e-mail using snowball sampling.

### **1.6. ACADEMIC THEORY**

The Theories of Experienced Utility (Kahneman, Wakker & Sarin, 1997) and Service-Dominant Logic (Vargo & Lusch, 2020) form the theoretical base for this study. Kahneman et al. (1997) built their theory on Bentham's work. The Bentham (1789) experience utility refers to pleasure and pain as dominant masters that draw attention

to what people do and influence their future behaviour. Pleasure signals what a person ought to do, to get the desired results, whereas pain signals choices to avoid. Kahneman et al. (1997) propose that it is the memory of a pleasurable or painful experience that will determine what people do.

The customer journey and ultimate Customer Experience are based on the following utilities: experienced utility, which has two components, namely instant utility and remembered utility. Instant utility refers to the pleasure or distress of the moment and remembered utility is the retrospective evaluation of an outcome (Kahneman et al., 1997). The Theory of Service-Dominant Logic represents a dynamic, continuing narrative of value co-creation through resource integration and service exchange, which affects Customer Experience as service is the fundamental basis of exchange (Vargo & Lusch, 2004).

### **1.7. RESEARCH SIGNIFICANCE**

This study aims to offer an insightful understanding of CX in the grocery retail sector in South Africa. CX is putting customer needs at the centre of what a company needs to do, ensuring that all touch points along the customer journey are positive and flawless (Maynes & Rawson, 2016).

The above calls for further research into CX. Cook (2018) emphasises that CX is crucial for any business as acquiring new customers is more expensive than retaining existing ones. Maynes and Rawson (2016) reinforces that organisations see significant improvements linked to the bottom line. Marek and Woźniczka (2017) suggest that the relationship between a positive CX and the commercial success of organisations is clear because emotionally engaged customers are more likely to recommend the product and to re-purchase it.

Lack of insight into CX in the grocery retail sector in South Africa can have substantial disadvantages for companies. Laihonon, Vuolle and Käpylä (2014) explain that negative CX can be considered as liabilities for organisations, which can result in customer dissatisfaction and stress for employees who in turn have to deal with angry customers. The authors further highlight that lack of understanding of the CX and journey can lead to a mismatch between customers' expectations and reality. This mismatch can drive away potential customers and make organisations vulnerable to customer-centric competitors.

## **1.8. RESEARCH METHODOLOGY**

The research methodology will explore the research approach, literature approach and the method used for data collection and data analysis.

### **1.8.1. Research Approach**

This study aims to pursue a layered research approach based on the work of Saunders, Lewis and Thornhill (2009). This study follows a positivistic design approach to the research, with the main focus on the collection of quantitative data from the respondents. The research approach will further be discussed in Chapter 3.

### **1.8.2. Literature Study**

The literature reviewed for this study will be collected using literature from journals, books and articles found in the Nelson Mandela University (NMU) library databases such as ResearchGate, EbscoHost and Google Scholar. All the references are appropriately cited in-text and available for review at the end of this study under the list of references.

### **1.8.3. Data Collection and Analysis**

This study formed part of the Strategic Marketing module on the Master's of Business Administration (MBA) course at NMU Business School. Professor Phillip Klaus, from the International University of Monaco, kindly shared the questionnaire with Professor Margaret Cullen, from the NMU Business School. Professor Klaus has done extensive research in Customer Experience.

The structure of the questionnaire is as follows: Section one collected demographic information. Section two collected item ratings related to Customer Experience, using a 5 point Likert scale. The scale was 1 = Totally Disagree to 5 = Totally Agree, with an additional option for "I do not know". The online questionnaire was developed on QuestionPro and was distributed to post graduate students on the MBA course at NMU Business School. The course administrators were responsible for the distribution of the questionnaire. The population of the study were customers residing in South Africa.

Convenience and snowball sampling were used as the sample was picked based on convenience. Snowball sampling was used as students were encouraged to share the Uniform Resource Locator (URL) link to the questionnaire within their network of family, friends, colleagues and any other interested parties. A cover letter outlined that

participation was voluntary and submission of the questionnaire implies consent to participate in the survey.

### **1.9. ETHICAL CLEARANCE**

The research ethics protocol outlined by NMU will be maintained in the study and assured respondents confidentiality and anonymity at all times. Ethical clearance has been acquired through the NMU's Research Ethics Committee – Human (REC-H).

In Annexure A, a copy of the Ethics confirmation letter covers all the relevant aspects of ethical research as prescribed by the University. Ethics number H20-BES-BES-013 was issued by the NMU ethics committee.

Annexure B is an overview of the Turnitin report for this treatise. It gives a similarity index for previously submitted academic papers.

### **1.10. RESEARCH STRUCTURE**

The research structure consists of five chapters and reads as follows:

#### **1.10.1. Chapter 1: Introduction and Problem Statement**

Chapter 1 introduces the study and outlines the problem statement, research questions and research objectives. The chapter also presents the delimitations of the study, research alignment plan and background. In addition, the required ethical clearance of the study is discussed.

#### **1.10.2. Chapter 2: Literature Review**

Chapter 2 presents the literature review for this study and addresses the first three research questions and corresponding objectives. (1) **RQ<sub>1</sub>**, states: *What is the definition of Customer Experience?* With its corresponding research objective (**RO<sub>1</sub>**): *Review definitions and theories of Customer Experience.* (2) **RQ<sub>2</sub>**, states: *What defines the grocery retail sector?* With its corresponding research objective (**RO<sub>2</sub>**): *Review the grocery retail sector literature.* (3) **RQ<sub>3</sub>**, states: *What are the factors that influence Customer Experience?* With corresponding research objective (**RO<sub>3</sub>**): *Determine the factors that influence Customer Experience.* A proposed conceptual model of Factors influencing Customer Experience concludes the chapter.

#### **1.10.3. Chapter 3: Research Design and Methodology**

Chapter 3 will examine the research process, the research paradigm and the research approach adopted in the study. This chapter discusses the participants of this study



and explains the unit of analysis as well as the data analysis methods of this study. Chapter 3 addresses **RQ<sub>4</sub>**, which states - *What research design will be used in this study?* With corresponding research objective (**RO<sub>4</sub>**): *Establish the most appropriate research design and methodology and explain with sufficient detail for future studies.*

#### 1.10.4. Chapter 4: Results and Analysis

Chapter 4 presents the results, discusses and analyses the data collected for this study. Research question 5 (**RQ<sub>5</sub>**) which states - *What are the relationships between the independent and dependent factors of Customer Experience in the grocery retail sector in South Africa?* With (**RO<sub>5</sub>**): *Determine which factors have a significant influence on Customer Experience in the grocery retail sector.*

#### 1.10.5. Chapter 5: Findings, Conclusions and Recommendations

Chapter 5 will discuss the findings, based on the research results presented in previous chapter. The chapter will address the last research question (**RQ<sub>6</sub>**), which states: *What recommendations can be suggested to improve Customer Experience in the grocery retail sector in South Africa?* With corresponding research objective (**RO<sub>6</sub>**): *Formulate managerial recommendations to improve Customer Experience in the grocery retail sector in South Africa.* Limitations of this study and any opportunities identified for future research will be outlined. Finally, conclusions regarding the research problem will be addressed in this Chapter.

### 1.11. CHAPTER SUMMARY

The chapter provided a brief introduction of the topic and defined the problem statement. The research questions and research objectives are explained that the study aims to address, with the research alignment plan illustrated in Table 1.1. The research delimitations and research theories were clarified. The research significance was highlighted and a research methodology plan included. Ethical clearance required by NMU's Research Ethics Committee to conduct this study is discussed. A brief analysis of the methods of data collection and analysis to conduct this empirical study is proposed.

The chapter concluded with an overview and structure for this study. Chapter 2 will explore and review relevant literature on CX and cover the first three secondary questions and corresponding research objectives of the RAP.

## **CHAPTER 2: LITERATURE REVIEW**

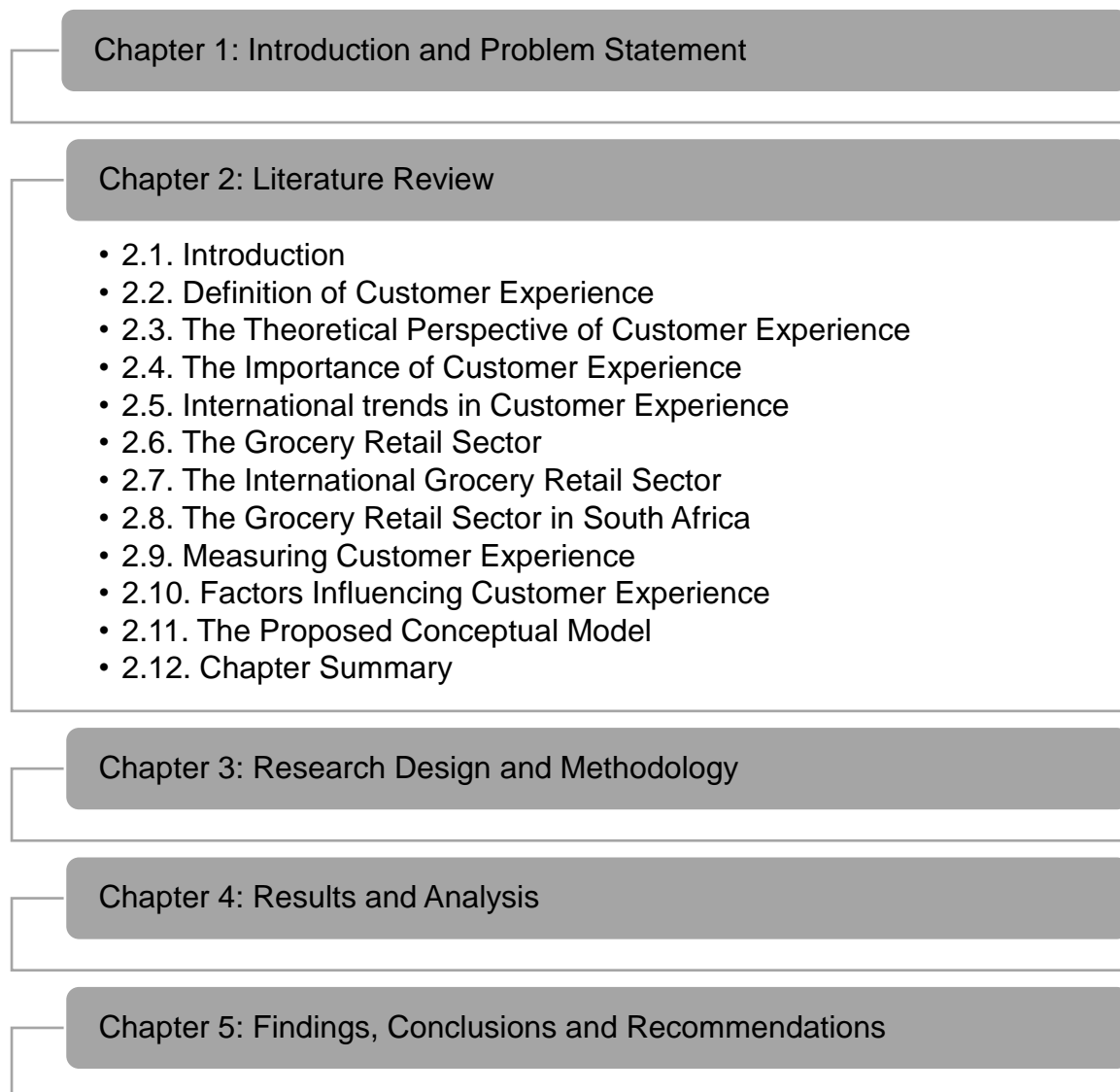
### **2.1. INTRODUCTION**

The previous chapter introduced the study and presented an overview, revealing the research intention, significance and study delimitations. Chapter 1 outlines the problem statement that CX in the grocery retail sector in South Africa has not been measured using Professor Klaus's new scale (Kuppelwieser & Klaus, 2020).

In addition, it established the **RO<sub>M</sub>**: *Explore Customer Experience in the grocery retail sector in South Africa to put customer needs at the centre of their business*. The Research Objective followed with the RAP, which aims to guide the researcher through the research process.

Chapter 2 provides a general literature review on CX and investigates the grocery retail sector. Both concepts will be explored at both international and national level. This chapter will focus on the first three research objectives and its corresponding research question as outlined in the RAP, review theories associated with CX and develop a proposed conceptual model for this study.

CX is essentially centralising the customer interface around what a company needs to do, to ensure positive touchpoints along the customer journey (Maynes & Rawson, 2016). The ensuing Figure 2.1. outlines the framework for Chapter 2.



*Figure 2.1. The framework for Chapter 2 (Source: Author's own construct).*

## **2.2. DEFINITION OF CUSTOMER EXPERIENCE**

CX is the interaction between an organisation and a customer. This takes place over time (Maklan & Klaus, 2011). Historically, marketing literature recognised the importance and role of customers but focused on the quality of service quality and level of satisfaction (Verhoef et al., 2009). The concept of CX was presented by Holbrook and Hirschman in 1982 and improved upon by Meyer and Schwager (2007).

Marketing application and research has transformed over the years, shifting from “creating fast moving consumer product brands to building customer relationships through service marketing and now to creating compelling customer experiences” (Maklan & Klaus, 2011, p. 771). Schmitt (2010) explains that CX is a strategic process, which looks at the customer’s interaction with a product or company. The CX belongs

to the customer and the process based approach is managed by the company or brand. The term is aimed at improving a customers' journey and touchpoints with its product and services. CX blurs traditional distinctions between products and services because it focus on customers' value-in-use, which arises from combinations of products and services (Maklan & Klaus, 2011).

CX has developed into an important and strategic marketing instrument intended to create a positive, memorable and satisfying experience (Jain, Aagja & Bagdare, 2017). It is viewed as complex and multi-layered (Bustamante & Rubio, 2017; Havíř, 2019). CX is made up of the customer's cognitive, emotional, affective, social and physical responses (Verhoef et al., 2009; De Keyser, Lemon, Klaus & Keiningham, 2015; Yakhlef, 2015). It involves the complete customer journey – starting with the search process, purchase or consumption and after-sale journey of the experience (Verhoef et al., 2009). The organisation's strategy creates value for all stakeholders (Verhoef et al., 2009).

The elements of experience are designed and controlled through the organisation. It includes customer interface, price, atmosphere and assortment (McColl–Kennedy et al., 2019) but is equally dependent on factors outside the organisation. This includes other customers or the use of technology by customers in different situations (McColl–Kennedy et al., 2019).

Amenuvor et al. (2019) identify sensory experience, emotional experience and social experience as dimensions of the customer journey. The emotional dimension refers to the emotions and feelings that a customer experiences during a shopping experience. A customer's mood can trigger an emotion of joy or disappointment during a service or product touchpoint. The sensory experience refers to the sensory perceptions that a customer holds about an organisation's service, product or physical environment. Finally, the social experience refers to the influence the customer's feelings, thoughts and actions hold on others (Amenuvor et al., 2019).

The complexity of CX has led to a managerial need to understand customers. A positive CX has become an important management objective (Lemon & Verhoef, 2016). Organisations must manage it as a strategic process to obtain a competitive advantage and manage the differentiation, to achieve a positive experience through customer satisfaction and loyalty (Jain et al., 2017). CX is all-inclusive and key to

fostering customer loyalty (Jain et al., 2017). The activities of CX journey are integrated. It starts long before the actual purchase or the service interaction thereafter (Jain et al., 2017). A positive experience leads to repurchase intention (Kim & Choi, 2013).

According to Kuppelwieser and Klaus (2020), a customer's assessment and perception is based on the total experience and not on the different stages of the CX. Klaus (2020) acknowledges that CX is complex but a strategic-shaping tool to explore a unique opportunity to drive business performance.

### **2.3. THE THEORETICAL PERSPECTIVE OF CUSTOMER EXPERIENCE**

The theories of Experienced Utility (Kahneman et al., 1997) and Service-Dominant logic (Vargo & Lusch, 2004) form the theoretical base for this study. The sub-sections will review the academic theories of Experienced Utility and Service-Dominant logic.

#### **2.3.1. The Theories of Experienced Utility**

Early scholars of utilitarian theory (Bentham, 1789) explain utility as the sum of experienced pleasures and pain. Experience is the endpoint of what happens to a person over a period of time. A person's assessment of the customer journey, whether positive or negative at a specific time, is based on the total experience over time (Kahneman et al., 1997).

The customer journey and ultimate CX is based on the following utilities: experienced utility, which has two components, namely instant utility and remembered utility. Instant utility refers to the distress or pleasure, whereas remembered utility is the review of a specific outcome (Kahneman et al., 1997).

Experience utility is based on the actual pleasure of an experience or outcome (Kahneman et al., 1997; Glimcher & Fehr, 2013), whereas decision utility is the assessment of how things will play out based on our decision and pursuit (Glimcher & Fehr, 2013). The authors explain that decision utility is directly influenced by the evaluation of past experiences (remembered utility) and the probability of future experiences (predicted utility).

Kahneman et al. (1997) explain that the instrument measurement for experience utility is similar to subjective temperature measurement and different in quality. Experience comprises two scales ranging from extreme pleasure to extreme distress. The

authors highlight that the two scales are connected by a mid-point of “neither pleasant nor unpleasant.” Kim and Choi (2013) explain that the quality of the experience is an element of perceived service-value that often leads to repurchase intention.

### 2.3.2. The Service-Dominant Logic

In early marketing literature, scholars paid attention to the economic exchange of manufactured goods. Service-Dominant (S-D) logic inherited the understanding that value can only be obtained in a product from economics and therefore focused on tangible commodity exchange (Vargo & Lusch, 2004). During the 1950's, Marketing shifted mainly toward the customer and satisfying the customer based on making optimal decisions, with the introduction of a customer-centric and market-driven S-D Logic (Vargo & Lusch, 2004).

It suggests that the customers co-create and define value (Vargo & Lusch, 2004). S-D logic is dynamic, a continuing narrative of value co-creation through resource integration and service exchange, which affects Customer Experience (Vargo & Lusch, 2017). The authors suggest it is founded in service to others and how to use this to create benefit directly or indirectly.

The S-D logic framework recommends that the purpose of exchange is value co-creation. This is enabled through service-for-service exchange, which forms the basis of trade (Vargo, Koskela-Huotari & Vink, 2020). This translates that services are exchanged for service (Vargo et al., 2020). In other words, whatever transactional exchange takes place between customer and producer will be later used for another service exchange.

Figure 2.2 illustrates a service ecosystem. S-D Logic co-creates value through exchange and integration. Vargo et al. (2020) explain that the five principles are based on the following elements:

1. Service is the basis of exchange;
2. Value is co-created and refers to the positive or negative experiences;
3. All actors are resource integrators;
4. Value is unique and determined by the beneficiary; and
5. Value co-creation is co-ordinated through generated arrangements.

The S-D logic process provides the framework that captures the customer storyline but cannot predict how the journey will end. It documents key path dependencies to enhance future experiences for the customer. The application of different resources (knowledge, experience and skills) is at the centre of the S-D logic process to benefit other denominators (Vargo & Lusch, 2017). If there is no benefit, there is no value in use. Vargo and Lusch (2017) highlight that S-D logic is related to service and offers an insight to traditional marketing.

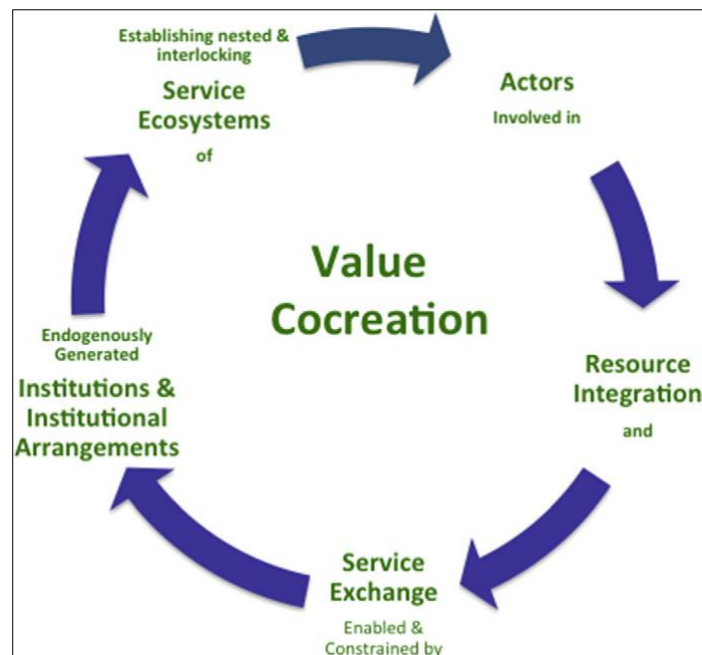


Figure 2.2. S-D Logic Process (Source: Vargo & Lusch, 2017).

## 2.4. THE IMPORTANCE OF CUSTOMER EXPERIENCE

CX is now considered to be the new focus in marketing (Havíř, 2019). It is an interactive journey and offers retailers economic benefits and offer insight into managing customer touch points (Verhoef et al., 2009; Zolkiewski et al., 2017).

A unique and positive CX drives business success and adds to their competitive advantage (Zolkiewski et al., 2017). De Keyser et al. (2015) claim that CX is key to long-term organisational sustainability and growth, which encourages a lasting strategic shift throughout the organisation. In 2014, the Marketing Science Institute identified CX as a research priority to obtain understanding of customers and CX (De Keyser et al., 2015).

Customers are essential for any business and many organisations have benefited by incorporating Customer Experience management into their marketing strategies (Chakraborty & Sasha, 2018). Companies in the retail sector can use CX as an important element to differentiate themselves from competitors and improve customer engagements (Bustamante & Rubio, 2017) and the touchpoints throughout the customer journey.

CX enhances customer satisfaction, customer loyalty and customer trust (Havíř, 2019). The author suggests that it supports differentiation and contributes to a competitive advantage for the organisation. Research on CX can help managers to develop tools to create and manage an improved customer journey. This will influence the customer's relationship towards the brand (Havíř, 2019).

A favourable and positive CX affects Marketing objectives (Pullman & Gross, 2004; Mascarenhas, Kesavan & Bernacchi, 2006; Kranzbuhler, Kleijnen, Morgan & Teerling, 2018). Gränroos (2006) as cited by Jain et al. (2017) claims that the value a customer perceives is created through elements of CX. A great CX increases customer loyalty, enhances customer satisfaction and sustains the emotional connection with the brand (Amenuvor et al., 2019).

In Professor Klaus' 2020 study, the author suggest that CX influences the total customer journey and influences how he / she behave (Klaus, 2020). Klaus (2020) acknowledges that marketing managers need help to understand measure and manage CX.

## **2.5. INTERNATIONAL TRENDS IN CUSTOMER EXPERIENCE**

The focus on CX and creating exceptional customer journeys has become a central strategic objective for companies around the world, with many embracing the concept into their mission statement (Verhoef et al., 2009). Ninety-six percent of respondents from a customer survey conducted amongst senior managers at one hundred and seventy six companies in North America stated that improving CX has become vital for their organisations (Band, Leaver & Rogan, 2007).

Band et al. (2007) highlighted that many companies experienced intense pressure to improve their CX processes and have expanded their CX portfolios by adding interfaces and creating experience-based touchpoints as differentiation. Hyken (2017) indicated that CX is now more important than ever, with 72% of businesses in the



United States (US) prioritising CX, after recording losses of 62 billion US dollars due to poor customer service. The author highlights that some of the best companies are increasing customer expectations and improving efforts to offer customers a better and positive CX.

Companies have turned to technology and big data to gain insight into CX in order to make the customer journey more positive and personalised (Hyken, 2017). In 2020, the Covid-19 pandemic has led to increased traffic in online channels, since the onset of the pandemic (Emmanuelli, 2020). Globally, companies have shifted to digital channels in order to accommodate the new trend in customer behaviour (Emmanuelli, 2020).

## **2.6. THE GROCERY RETAIL SECTOR**

A grocery store is normally a retail outlet in the world of fast-moving consumer goods, where goods are sold quickly (Chingang Nde & Lukong, 2010). Grocery retail stores are the primary destination for food purchases and continue to dominate retail food sales (Glanz, Bader & Iyer, 2012). Grocery stores around the world play an important role in the lives of customers because they provide basic goods and services for personal and household use (Ahmed, 2019, Chingang Nde & Lukong, 2010).

Grocery retailers stock a variety of food and non-food items; however, food items constitute the majority of their product items and turnover volumes (Ahmed, 2019). Grocery stores are considered a part of the service industry as they trade and sell a variety of food, household items and beverages (Chingang Nde & Lukong, 2010).

The grocery retail sector meets the customer at the marketing segment, which is at the end of the channel of distribution. The sector is rapidly changing and positioned strategically between wholesalers and the direct public (Ahmed, 2019).

## **2.7. THE INTERNATIONAL GROCERY RETAIL SECTOR**

The grocery retail sector has grown year-on-year by almost 5 % per annum over the last decade, despite many challenges. The global industry is worth 5.7 trillion US dollars (Kuijpers, Simmons & van Wamelen, 2018). Wang, Rodrigues and Evans (2015) claim that it is one of the key sectors in the United Kingdom, with around 52% of retail expenditure used for groceries.

In the 2017 financial year, the world's top largest retailers (Staff Writer, 2019) contributed 31.6 % share of the top 250 global company's total retail revenue, marking an increase of 0.9 percentage points year-on-year. US multi-national retail giant, Walmart, is the biggest grocery retailer in the world, with 2019 retail revenue reported over five hundred billion US dollars (Staff Writer, 2019). Walmart dominated the grocery retail market in the US, accounting for over a quarter of the market value in 2017 (Ahmed, 2019).

The 2019 Deloitte report (Staff Writer, 2019) cites that Walmart's biggest growth driver was the acquisition of e-commerce websites and in store remodelling to integrate digital businesses. Digital grocery shopping is growing remarkably and is predicted to continue to grow. Customers want convenience and e-commerce offers customers increased accessibility and the following benefits (Jernbeck & Sojde, 2017):

- Less time spent on grocery shopping;
- Wider range of online products;
- The option of home delivery; and
- Less time spent in physical store.

Technological change and innovation have brought disruptive change to the grocery retailing sector (Askew, 2019). The author explains that in recent years, consumer expectations have changed, which influence how retailers trade. Askew (2019) identifies the following six trends for the supermarket and grocery retail space:

1. Technology will transform e-commerce by combining online and off-line personalised services that are easy and convenient to improve the shopping experience of customers;
2. Physical stores will go digital – traditional supermarkets will offer more digital experiences in store. The experience provides customers with reasonable information inside the store;
3. Retailers will offer meaningful customer engagements by offering personalised experiences through shopper data;
4. The rise of social commerce – grocery retailers will make use of targeted marketing to make shopping more social, convenient and instantaneous;

5. The supply chain will be under pressure with the advancement of technology and customer expectations. Process lines, quality and safety in the food supply will be higher than ever as retailers offer customers an omnichannel CX; and
6. Retailers will continue to provide customers with detailed product information and the origin of food products in store.

Table 2.1 below illustrates the top ten largest global retailers in the Deloitte survey, based on publicly available data for the 2017 financial year (Staff Writer, 2019). The top ten retailers are ranked from one to ten. US based retailer, Walmart Stores, ranked number one in the survey and operates in 29 countries. In 2017, Walmart Stores reported financial retail revenue in excess of 500 million US dollars. The top four grocery retailers are originally founded in the US. German based retailers, Schwarz Group and Aldi Einkauf GmbH ranked 5<sup>th</sup> and 8<sup>th</sup> position respectively in the survey. The two German companies have a combined global footprint in 48 countries. Tesco PLC from the United Kingdom ranked 10<sup>th</sup> position and operates in eight countries and recorded a financial retail revenue of 73 961 million US dollars.

*Table 2.1. Top Ten Global Retailers (Source: Author's own construct based on Staff Writer, 2019).*

World Ranking	Name of Company	Origin	Number of Countries of Operation	FY2017 Retail Revenue (US\$M)	Dominant Operational Format
1	Walmart Stores, Inc.	United States	29	500,343	Hypermarket / Superstore
2	Costco Wholesale Corporation	United States	12	129,025	Cash and Carry / Warehouse Club
3	The Kroger Co.	United States	1	118,982	Supermarket
4	Amazon.com, Inc.	United States	14	118,573	Non-Store
5	Schwarz Group	Germany	30	111,766	Discount Store
6	The Home Depot, Inc.	United States	4	100,904	Home Improvement
7	Walgreens Boots Alliance, Inc.	United States	10	99,115	Drug Store / Pharmacy
8	Aldi Einkauf GmbH and Co. oHG	Germany	18	98,287	Discount Store
9	CVS Health Corporation	United States	3	79,398	Drug Store / Pharmacy
10	Tesco PLC	United Kingdom	8	73,961	Hypermarket / Superstore

Staff Writer (2019) reported that the world's top ten retailers have a global footprint and focus, with operations on average in 13 countries. South African retailer, Shoprite, was listed 86<sup>th</sup> in the Global Power retailing report, with operations in 15 countries (Staff Writer, 2019).

## **2.8. THE GROCERY RETAIL SECTOR IN SOUTH AFRICA**

South African supermarkets provide food at lower prices and have grown steadily over the last two decades (D'Haese & Van Huylbroeck, 2005) and are now facing competition from local and international retailers (Makhitha & Khumalo, 2019). In 2019, the grocery retail sector showed the largest potential for retail growth amongst South African retailers (Farfan, 2019).

The South African retail sector is highly concentrated and the four largest grocery retailers in South Africa are Shoprite, Spar Group, Pick n Pay and Woolworths (Staff Writer, 2019). Shoprite is currently the largest grocery retailer in South Africa and ranked eighty sixth in a global study (Staff Writer, 2019). Shoprite, South Africa's largest food retailer operates in 15 countries (Staff Writer, 2019), has close to 3 000 supermarkets and services over 35 million customers, in Africa and the Indian Ocean Islands (Farfan, 2019).

Table 2.2 illustrates the performance of South African based retailers in the international survey by Deloitte (Staff Writer, 2019). Four retailers in South Africa managed to obtain a world ranking on the study done by Deloitte. Shoprite ranked 86<sup>th</sup> position in the survey and operates in fifteen countries. Shoprite generated 11 294 million US dollars in retail revenue in 2017.

Spar and Pick n Pay ranked 140<sup>th</sup> and 160<sup>th</sup> position respectively. Woolworths, the fourth South African retailer held position 179<sup>th</sup> in the survey and operates in fourteen countries. The four top South African retailers identified in the survey have a combined global footprint in 48 countries.

Table 2.2. Top Four Retailers in South Africa (Source: Author's own construct based on Staff Writer, 2019).

World Ranking	Name of Company	Origin	Number of Countries of Operation	FY2017 Retail Revenue (US\$M)	Dominant Operational Format
86	Shoprite Holdings Ltd.	South Africa	15	11,294	Supermarket
140	The SPAR Group Limited	South Africa	12	7,252	Supermarket
160	Pick n Pay Stores Limited	South Africa	7	6,225	Supermarket
179	Woolworths Holdings Limited	South Africa	14	5,332	Department Store

Woolworths Holdings Limited, listed 179<sup>th</sup> (Staff Writer, 2019) opened its doors to the public in 1931 in South Africa and remains one of the longest serving retailers in the country (Staff Writer, 2020). South Africa's remaining retail expansion opportunities are limited in comparison to other African countries where retail locations and activities are either limited or non-existent (Farfan, 2019).

## 2.9. MEASURING CUSTOMER EXPERIENCE

Measuring Customer Experience is critical to any organisation to assess a customer's complete experience with an organisation or service provider (Lemon & Verhoef, 2016). Service quality refers to a customer's assessment of a specific service. More organisations realise that providing excellent and positive customer service will have a sustainable competitive advantage for the organisation (Chingang & Lukong, 2010). The touchpoints in the customer journey influence the customer's perception of quality.

A positive service quality leads to customer satisfaction and ultimately influences the organisation's bottom line. This further has a positive impact on customer behaviour, repurchase intention and customer loyalty towards the organisation (Chingang & Lukong, 2010). Marketing managers must acknowledge that the quality of service and customer satisfaction have a direct correlation with business growth and competitiveness (Chingang & Lukong, 2010). These marketing elements bring to focus the context of total customer journey and assessment of the customer experience (Lemon & Verhoef, 2016).

In 1985, the service quality model was developed (Parasuraman, Zeithaml & Berry, 1985 as quoted by Chingang & Lukong, 2010) to measure customer perception of service quality. The SERVQUAL model was considered for this treatise but, was found to measure service quality, which is only one dimension of CX. Maklan and Klaus (2011) developed a measure for Customer Experience Quality (CXQ), which was considered for this study. The CXQ model developed by Maklan and Klaus (2011) is a measure that aims to identify and explain the dimensions and attributes of unique, positive and memorable CX.

The customer service experience scale (Maklan & Klaus, 2011) comprises four dimensions namely the product experience, moments-of-truth, outcome focus and finally peace of mind. A customer's experience with the product or brand highlights the choices available to the customer and his / her ability to choose, whilst outcomes focus refers to a customer's perceived outcome based on past experiences. Moments-of-truth make reference to service recovery whereby a customer is faced with unforeseen complications and met with flexibility and positive experience. Finally, the authors associate peace of mind with perceived expertise throughout the entire customer process. CXQ is the customer's total cognitive and emotional evaluation over time during the customer journey relating to their product and service delivery with the organisation (Maklan & Klaus, 2011).

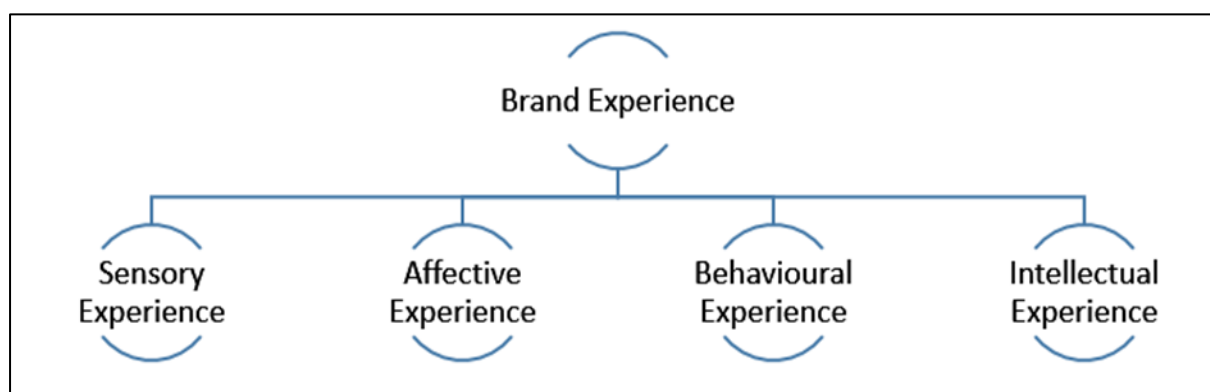
## **2.10. FACTORS INFLUENCING CUSTOMER EXPERIENCE**

Experience occurs before customers shop and use products (Brakus, Schmitt & Zarantonello, 2009; Verhoef et al., 2009). In 2020, Kuppelwieser and Klaus updated their study on Customer Experience quality, which comprised of factors such as BE (pre-purchase), SE (during purchase) and PE that influence CX.

### **2.10.1. Brand Experience**

Japutra and Molinillo (2019) explain that BE refers to a customer's reaction and attraction to brand marketing pursuits and the perception they hold of the experience with the brand. The perceptions a customer holds of a brand, influences their behaviour and CX with the company (Verhoef et al., 2009). According to Nayeem, Murshed and Dwivedi (2019), BE takes place at multiple touchpoints in the CX journey: when customers search, consider and receive after sales services.

BE can be divided into the following dimensions namely sensory, intellectual, affective and behavioural (Brakus et al., 2009). The customer's sensory experiences refer to the five senses that the customers experience with the brand (for example, smell, sight, touch, taste and hearing). The affective experience signifies how the brand makes customers feel (e.g. successful, special, girly, fun or well-dressed). The intellectual dimension refers to how brands stimulate imaginative thoughts and connections, whilst the behavioural experience calls the customer to action (e.g. cooking, workout) as a result of brand stimuli. Figure 2.3. illustrates the 4-Factor Model for BE.



*Figure 2.3. 4-Factor Model for Brand Experience (Source: Author's own construct based on Brakus et al., 2009).*

According to Lemon and Verhoef (2016), brand experience aims to identify the relationships between customer satisfaction and customer loyalty. BE influences the customer's total assessment of the experience (Nayeem et al., 2019). Klaus (2020) explains that brands influence our purchasing decisions and how the customer assesses the brand. The brand perception of the customer has a direct correlation with their direct interactions and the customer's experience and indirect interaction with the brand (Klaus, 2020). The customer's evaluation of the brand is maintained by the total experience with the brand.

Customers encounter different experiences with various brands. Ong, Lee and Ramayah (2018) explain that a unique brand experience leads to brand loyalty. Brand loyalty has a sustainable competitive advantage, leads to profit and helps the organisation achieve business sustainability (Ong et al., 2018).

According to Kuppelwieser and Klaus (2020), brand experience involves the customers' perception of the brand and influence the customer's experience and their pre-purchase decision. It reflects on the following elements (Kuppelwieser & Klaus, 2020):

- A customers' perceived value of the products or brand;
- The price that the customer is willing to pay;
- The "experience-delivering" touchpoints with staff during the Customer Experience;
- The evaluation and assessment of the specific brand during the customer journey; and
- Lastly, what do the competitors offer during the pre-purchase process.

BE has been identified as an independent factor of CX. BE has been proposed to have a significant positive relationship with the Customer Experience. Figure 2.4. highlights the proposed relationship between the independent factor (IF), BE and the dependent factor (DF), CX.



*Figure 2.4. The proposed relationship of Brand Experience on Customer Experience (Source: Author's own construct).*

#### 2.10.2. Service Experience

The physical environment (building and location) provided by companies is part of a customer's consumption experiences (Parish, Berry & Lam, 2008). It is key to the service experience journey and impacts every experience (Parish, Berry & Lam, 2008). SE arises when customers interact with the providers' staff, its policies and practices (Kuppelwieser & Klaus, 2020).

The SE describes the customer's cognitive, emotional and behavioural responses (Parish, Berry & Lam, 2008). The authors explain that the SE is two dimensional: Firstly, the service worker's immersion in the service place - the time a worker spends in a specific workplace and the impact that the environment has on the worker.



Secondly, the intensity of the service role refers to intellectual (knowledge and skill intensive) and physical demands of the service role (Parish, Berry & Lam, 2008).

A customer's overall SE assessment is founded on small clues – technical performance or attitude of the service provider - that influence the CX (Berry, Wall & Carbone, 2006). This influences the customer's choice of future service provider. Functional clues influence a customer's cognitive or calculative perceptions of the service quality, whereas mechanic and humanic clues primarily influence customer's emotional perceptions (Berry, Wall & Carbone, 2006).

Customers look for concrete clues to help inform their service experience and expect service companies to know their business and basic service promise (Berry, Wall & Carbone, 2006). Everything in the customer journey affects the customer perception. An unpleasant employee at the beginning of the CX can ruin the total customer's experience, even if the end-service was good. The authors make it clear that the total service quality level of the experience is equally important as it influences the customer's emotional perceptions of quality. Figure 2.5. illustrates the clue categories that influence customer perceptions.

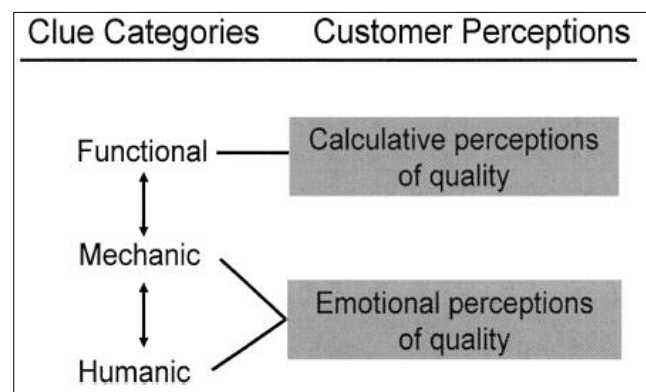


Figure 2.5. Clue categories that influence customer perceptions (Source: Berry, Wall & Carbone, 2006).

The service role and the service place are key drivers of the service experience. SE create touch point opportunities for organisations to meet customer expectations and needs and influence CX. According to Kuppelwieser and Klaus (2020), the SE relates to the following four themes:

1. The process experience – this refers to ease or difficulty to use the service provider's communication and marketing channels;

2. The customers' direct assessment and online encounters with the service provider's staff and management;
3. The influence of the physical environment – location of the building where the service takes place, ease of access, physical design and décor elements; and
4. Situational and customer moderators – the reason for the service trip, such as task-orientation.

SE has been identified as an independent factor of CX. SE has been proposed to have a significant positive relationship with the CX. Figure 2.6. highlights the proposed relationship between the independent factor (IF), SE and the dependent factor (DF), CX.



*Figure 2.6. The proposed relationship of Service experience on Customer Experience (Source: Author's own construct).*

### 2.10.3. Post-purchase / Consumption Experience

This stage of the CX refers to interactions following the actual purchase and includes consumption, usage and any service requests (Lemon & Verhoef, 2016; Kuppelwieser & Klaus, 2020). A customer's post-purchase evaluation is largely influenced by the customer expectation before the service encounter (Verhoef et al., 2009). Customers want to experience various interactions with the organisation at every touchpoint of the customer journey, from before the purchase experience up to the PE (Jain et al., 2017).

Lemon and Verhoef (2016) explain that the product itself or service related request becomes a critical touch point. This can influence customer loyalty through repurchase or further engagement from the customer. A customer is unlikely to switch service providers when a positive CX occurs (Colgate & Hedge, 2001 as quoted by Klaus et al., 2013).

The PE covers aspects critical to the customer's experience journey (Verhoef et al., 2009) as they influence the bottom line of the organisation. It concentrate on the post-purchase interactions and covers the following perceptions (Kuppelwieser & Klaus, 2020):

- Perception of service recovery and retention – refers to the service effort post a poor customer experience and the strategy to retain existing customers (Magatef & Tomalieh, 2015); and
- Perception of product familiarity – the importance of product knowledge and ongoing customer interaction. This allows for a complete experience, that differentiates the organisation's brand and service (Biedenbach & Marell, 2010).

Kuppelwieser and Klaus (2020) reinforce that during a positive PE, customers will show signs of commitment to the service provider. This can be on a business to customer or business to business transaction. The post-purchase phase also includes emotional expressions, which refer to the customer's post-purchase pleasure and satisfaction with the brand or service provider (Kuppelwieser & Klaus, 2020).

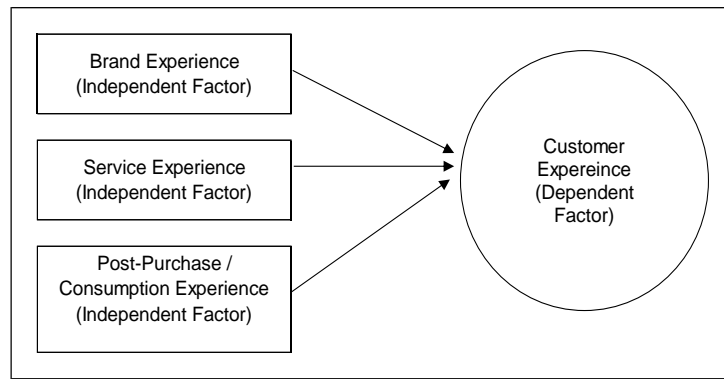
PE have been identified as an independent factor of CX. PE (IF) has been proposed to have a significant positive relationship with the CX (DF). Figure 2.7. highlights the proposed relationship between the independent factor (IF), PE and the dependent factor (DF), CX.



*Figure 2.7. The proposed relationship of Post-purchase / Consumption Experience on Customer Experience (Source: Author's own construct).*

## **2.11. THE PROPOSED CONCEPTUAL MODEL**

The literature in this chapter has highlighted independent factors of CX. These factors were used to develop a proposed conceptual model of CX. Figure 2.8. illustrates the proposed conceptual model.



*Figure 2.8. Proposed Conceptual Model of Factors influencing Customer Experience (Source: Author's own construct).*

The proposed Conceptual Model of Factors forms the basis for this study in the following chapters. It will test each factor, to develop a model for future studies on Customer Experience.

## **2.12. CHAPTER SUMMARY**

This chapter started with a literature review that addressed the related research objectives and corresponding research questions. Chapter 2 began with an introduction to the literature and addressed the various definitions of CX. This is the total customer's assessment and perception of the total experience and is not focused on the individual and different stages of the customer journey (Kuppelwieser & Klaus, 2020).

Grocery retail stores are the primary destination for food purchases (Glanz, Bader & Iyer, 2012) and are normally a retail outlet in the world of FMCG, where goods are sold quickly (Chingang Nde & Lukong, 2010). Grocery stores are important to customers because they provide basic goods (Ahmed, 2019, Chingang Nde & Lukong, 2010).

This chapter reviewed theories that underpin this research, namely the theories of Experienced Utility and S-D logic (Kahneman et al., 1997; Vargo & Lusch, 2004). Experience utility is based on the actual pleasure of an experience or outcome (Kahneman et al., 1997; Glimcher & Fehr, 2013), whereas Vargo and Lusch (2004) suggest that S-D Logic is customer-centric and market-driven and co-created by the customer.

In addition, the chapter reviewed international trends in CX and briefly looked at the global grocery retail sector. The independent factors of CX were explained and they are: BE, SE and PE. BE is a customer's reaction and attraction to brand marketing pursuits and the perception they hold (Japutra & Molinillo, 2019), which leads to brand loyalty and a sustainable competitive advantage (Ong, Lee & Ramayah, 2018). The SE signifies the customer's cognitive, emotional and behavioural responses (Parish, Berry & Lam, 2008) through clues to help inform their service experience. Magatef and Tomalieh (2015) explain that the PE covers aspects such as the perception of service retention, recovery and product familiarity (Biedenbach & Marell, 2010).

Chapter 3 discusses the research design and the methodology of this study. The chapter address **RQ4**: *What research design will be used in this study?* with corresponding research objective: **RO4**: *Establish the most appropriate research design and methodology and explain with sufficient detail for future studies.*

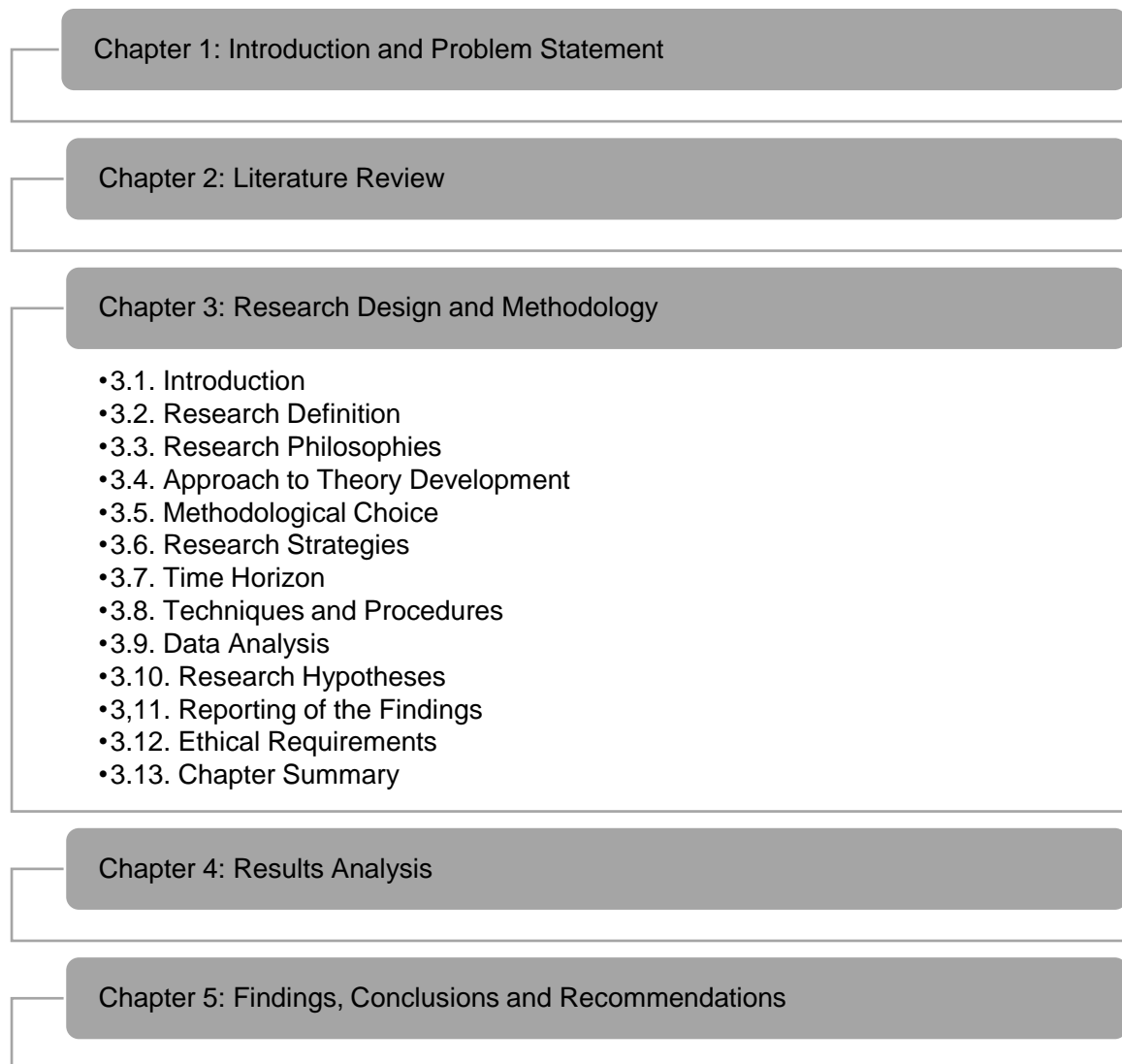
## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1. INTRODUCTION**

Chapter 2 presented a literature review and theoretical framework, which underpins this study. The literature review discussed the related research objectives and corresponding research questions of the study. The dimensions, definition and theories that underpin this study were discussed in **RQ<sub>1</sub>**: *What is the definition of Customer Experience?* and **RO<sub>1</sub>**: *Review definitions and theories of Customer Experience.*

In addition, a review of the grocery retail sectors and trend analysis of the sector were discussed through **RQ<sub>2</sub>**: *What defines the grocery retail sector?* and **RO<sub>2</sub>**: *Review the grocery retail sector literature.* Finally, the relationship between the Customer Experience and its independent factors were addressed in **RQ<sub>3</sub>**: *What are the factors that influence Customer Experience?* and the corresponding **RO<sub>3</sub>**: *Determine the factors that influence Customer Experience.*

Chapter 3 aims to effectively describe the research design and methodology for this study. This chapter will address **RQ<sub>4</sub>**: *What research design will be used in this study?* and **RO<sub>4</sub>**: *Establish the most appropriate research design and methodology and explain with sufficient detail for future studies.* Figure 3.1. illustrates an overview for the chapter.



*Figure 3.1. The Framework for Chapter 3 (Source: Author's own construct).*

Figure 3.1. provides a roadmap for Chapter 3 and the main elements to be discussed. Firstly, the concept of research is defined and then research design is outlined. In addition, Chapter 3 discusses the unit of analysis, method of data collection, the questionnaire design, the reliability and validity requirements of this study. Following this, the ethical requirements are considered to conduct this study. Chapter 3 ends with a brief overview of the research design and methodology.

### 3.2. RESEARCH DEFINITION

Leedy and Ormrod (2014) propose that research in everyday life means gathering information or rummaging through sources of information and documenting facts. Research is an organised process and includes the collection, analysis and interpretation of information on a specific topic to increase understanding and to solve problems (Patel & Patel, 2019; Leedy & Ormrod, 2014). Walliman (2017) adds that research is about uncovering new facts to advance the body of knowledge.

Patel and Patel (2019) describe the research process as an art of scientific investigation. Naidoo (2011) adds to this and writes that an inquiry is not considered research if it is constrained to gathering and checking data alone. It should outline a detailed research problem and a supporting research methodology. Kothari (2004) highlights that research constitutes a new contribution to existing literature by advocating and advancing its improvement. The duration and complexity of a research project varies and it shares the following elements

- Research begins with a research question or problem statement;
- It requires a clear research objective;
- Research must have a plan before commencement;
- Research breaks up the main problem into manageable sub-problems;
- The research problem guides the research;
- Research accepts certain critical assumptions;
- The research collects and interpret data to solve the problem; and
- Research follows a cycle and logical steps (Leedy & Ormrod, 2014).

Research consists of fundamental and applied research (Kothari, 2004). Applied research focuses on a specific problem and aims to find an answer for a problem facing a business, whereas fundamental research aims to understand general, broad based applications and influences existing theory (Kothari, 2004). This study follows an applied research approach, as it focuses on the main research problem (**RP<sub>M</sub>**): *Customer Experience in the grocery retail sector in South Africa has not been measured using Professor Klaus's new scale.*



### 3.2.1. Literature Review

Research relies on the existing literature to construct a literature review (Rowley & Slack, 2004). Bryman, Bell, Mills and Yue (2011) explain that a literature review is an organised interpretation of knowledge, to provide clarity about a specific topic. A literature review draws on various sources including books, academic articles, journals and web-based resources (Rowley & Slack, 2004). The authors explain that a conceptual framework helps to develop an understanding about the research topic. This was done in Chapter 2.

For this study, a list of relevant journal articles were obtained relating to Customer Experience. Key words and phrases, such as factors relevant to Customer Experience and the research problem were entered into reliable search engines such as EbscoHost and Google Scholar.

Thereafter, a conceptual model was developed and proposed. The research process of this study is illustrated in Figure 3.2. The research process will guide the research and unpack the layers of the research onion by discussing the research approach and strategies.

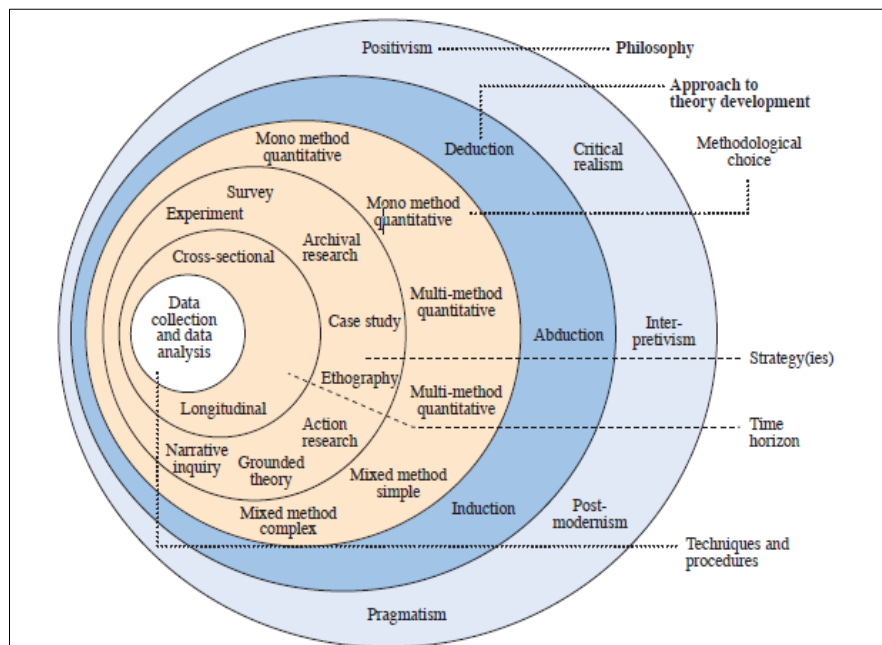


Figure 3.2. The Research Onion – a layer approach to research (Source: Saunders et al., 2009).

### **3.3. RESEARCH PHILOSOPHIES**

Collis and Hussey (2014) explain that a research paradigm is a philosophical framework of human beliefs, which guide the research and shape the development of knowledge (Saunders et al., 2009). Research philosophies form the basis of the research by definition and ethics of research (Melnikovas, 2018).

#### **3.3.1. Positivism**

Walliman (2017) explains that a positivist research paradigm is to understand and explore the realities of people and their environment, especially where large sample sizes are involved in the research process (Taylor & Medina, 2011). The positivist approach involves a quantitative methodology and the researcher is in control of the research process (Taylor & Medina, 2011). A positivistic approach aims to describe the experiences of respondents and researchers who separate themselves from the world, which they study (Krauss, 2005).

The researcher's commitment to objectivity and his or her own values does not influence the research process (Saunders & Tosey, 2013). The positivist approach aims to understand the experiences of respondents well enough, so that researchers can predict and control future outcomes (Krauss, 2005). Mayer (2015) contributes by adding that positivism assumes that observations lead to general statements.

#### **3.3.2. Realism**

Realism has similar elements to positivism and constructivism (Krauss, 2005; Saunders et al., 2009). Realism is also known as critical realism, post-positivism or neo-post-positivism (Krauss, 2005). Krauss (2005) explains that positivism concerns a single and actual reality and realism refers to various perceptions about the same event (Healy & Perry, 2000 as quoted by Krauss, 2005). Realism assumes reality is dependent on social and economic influences and interactions. It exists independently of human beliefs or thinking (Mayer, 2015).

#### **3.3.3. Interpretivism**

The research approach of interpretivism can be generally associated with qualitative research (Mayer, 2015). Interpretivism refers to social experience studies and focuses on doing research with people (instead of things) in their natural environment (Saunders & Tosey, 2013). Interpretivism research approach relies on multiple realities (Krauss, 2005). The interpretive research paradigm requires the researcher's

personal perspectives and the respondents to provide an understanding of the interpretive paradigm (Taylor & Medina, 2011).

Interpretive research draws from a point of the researcher giving voice to respondents by allowing the researcher to 'stand in their shoes' and 'look through their eyes' (Taylor & Medina, 2011, p. 4). Saunders and Tosey (2013) suggest that it adopts an empathetic understanding of the social world of respondents and views. An interpretive research approach involves collecting qualitative data.

#### 3.3.4. Post Modernism

The post modernism approach does not honour a single research paradigm and asks critical questions (Ramey & Grubb, 2009). It gives voice and legitimacy to unrepresentable forms of knowledge that were previously overlooked in research (Chia, 2002). Wilson (1997) outlines the following elements of post modernism thinking:

1. A commitment to plurality of meanings, methods and perspectives;
2. A search for alternative interpretations;
3. A critique or distrust of stories of science, religion and cultures that serve to explain why things are the way they are; and
4. An acknowledgment that multiple perspectives and worldviews influence multiple truths.

#### 3.3.5. Pragmatism

The importance of pragmatism is in the finding's practical outcomes as no single perspective can give a true account, as there may be many realities (Saunders & Tosey, 2013). Morgan (2014) explains that any experience requires interpretation through internal beliefs that generate actions. Saunders et al. (2009) explain that practical efficiency is the basis of pragmatism; meaning only practical outcomes are accepted.

Chia (2002) compares research to a manufacturing process, which is dependent on the holistic process to ensure quality and reliable output. This study follows a positivistic design approach to the research.

### **3.4. APPROACH TO THEORY DEVELOPMENT**

Melnikovas (2018) explains that the research philosophy directs the approach to theory developments, in the form of a deductive, abductive or inductive approach. They are the three basic interpretations that inform the research design and methodology (Jensen, 2008).

A deductive research approach normally starts with existing theory, followed by a hypotheses and data collection to confirm or reject the hypothesis (Melnikovas, 2018). Kennedy and Thornburg (2018) highlight that deduction can substantiate or disprove existing theories. A risk with a deductive approach to research is that researchers become obsessed with the study, participants and the data collected (Kennedy & Thornburg, 2018).

An inductive research observes and collects data, where after a theory is formed based on the results (Melnikovas, 2018). Kennedy and Thornburg (2018) explain that through a series of observations, researchers aim to find a pattern or order to make a general statement. An inductive research approach relies on the collected data to draw conclusions (Kennedy & Thornburg, 2018).

Melnikovas (2018) cites that an abductive research approach is followed to reach a conclusion based on the data. Kennedy and Thornburg (2018) add that abduction aims to find new explanations and concepts in data. This research uses a deductive approach. It starts with an existing body of knowledge and aims to explore a research question and solve the research problem.

### **3.5. METHODOLOGICAL CHOICE**

This section determines the use of qualitative or quantitative methods or a mixture of both (Melnikovas, 2018). Research that takes on a single methodology of research is called the mono-method. Research with more than one method adopts a multi-method (Melnikovas, 2018).

#### **3.5.1. Qualitative Research**

Denny and Weckesser (2019) explain that qualitative research offers an understanding and insight of people's experiences. The authors highlight that qualitative research considers people's thoughts and behaviours to understanding their experiences. Qualitative research investigate the meaning people ascribe to situations and activities (Leavy, 2020).

Participants in this research are knowledge bearers and the researcher is considered an instrument in the research process. Qualitative researchers use a range of research methods, which include focus groups, interviews and content analysis (Leavy, 2020).

### 3.5.2. Quantitative Research

The quantitative research aims to understand how experiences work and is based on positivism (Hodge, 2020). Statistics are essential to quantitative research in order to quantify and assess the degree of variation (Kumar, 2011). Hodge (2020) highlights that positivism influences the quantitative research with basic assumptions to guide the researchers' actions. Researchers must consider each assumption of qualitative research (Fraenkel, Wallen & Hyun, 2012 as quoted by Hodge, 2020) when using this:

1. The objective of science is to discover how things work;
2. Studies can give an accurate account of the world;
3. Researchers can distance themselves from the topic;
4. Facts can be known in an unbiased way;
5. Values and facts are separately interpreted;
6. A good research designs can draw accurate conclusions;
7. Research predict relationships between factors; and
8. Research develop laws and lead to predictions.

This study follows a positivistic design approach to the research. It will collect quantitative data from respondents.

## 3.6. RESEARCH STRATEGIES

Research strategies include surveys, experiments, archival sources, case studies, ethnographic research, grounded theories, action research and narrative inquiries (Saunders et al., 2009). Different research strategies can be used in a research project. Table 3.1. highlights some of the various research strategies identified in the literature.

*Table 3.1. Various Research Strategies Identified (Source: Author's own construct).*

Research Strategy	Definition	Source
Research Surveys	It involves the collection of data from a sample of elements drawn from a well-defined population through the use of a questionnaire.	Visser, Krosnick & Lavrakas (2000).

Experiments	Research methodology which involves collecting primary data from individual decision-makers who face real payoffs from their responses.	Croson, Anand & Agarwal (2007).
Archival Research	It is the investigation of documents and textual materials produced by and about organisations.	Ventresca & Mohr (2017).
Case Studies	It is an in-depth, multifaceted investigation using qualitative research methods of a single social phenomenon. The study is conducted in great detail and reliant on several sources.	Feagin, Orum, & Sjoberg (1991).
Ethnography	The study gives an account of the way of life of a particular group of people or person.	Hammersley (2007).
Action Research	Action research is an iterative approach, combining theory and practice.	Avison, Lau, Myers & Nielsen (1999).
Grounded Theory	Grounded theory is an inductive, theory discovery methodology, whereby the researcher develop a theoretical account of the general descriptions of a topic while at the same time, grounding the account in empirical observations or data.	Martin & Turner (1986).
Narrative Inquiry	It is a detailed account of the structure and content of a story and its significance in relation to frames of reference.	Wells (2011).

### 3.7. TIME HORIZONS

The research onion in Figure 3.2., illustrates two different time horizons that a research study can follow (Saunders et al., 2009). Time horizons are located at the inner layers of the research onion. They consist of cross-sectional time studies and longitudinal time studies (Saunders et al., 2009).

Cross-sectional research is also known as short-term studies (Melnikovas, 2018) and take place at a specific time point. The study is descriptive in nature. The data collected provides a glimpse of the research outcome at a specific point in time (Levin, 2006). Saunders, et al. (2009) suggest that the researcher links his / her choice of study to the research question. Academic research studies take on a cross-sectional focus due to time constraints and includes the following elements (Levin, 2006):

- It is inexpensive, with no loss to follow up;
- It takes place over short periods; and
- Various risk factors and outcomes can be assessed.

Longitudinal studies are recorded over a long period of time, repeated and compared (Melnikovas, 2018). Longitudinal studies are costly and time-consuming (Saunders et al., 2009). Longitudinal studies are well suited for stationary populations. Yee and Niemeier (1996) explain that the researcher risks drawing inaccurate conclusions about the population at the end of the study. Farrington (1991) adds that longitudinal studies hold significant problems like aging respondents, time period effects, delayed data results and achieving long-term funding for the research. This study is inexpensive and takes place at a specific time, as such, adopted a cross-sectional time horizon approach.

### **3.8. TECHNIQUES AND PROCEDURES**

#### **3.8.1. Participants of the Study**

All grocery retail customers that reside in South Africa were targeted, to closely approximate the population of customers. Online surveys are normally distributed via e-mail, however e-mail directories of the South African population for the grocery retail sector are not available, therefore a sampling frame does not exist. Convenience and snowball sampling were used as the sample is picked based on convenience, as the name implies, the sample is selected because they are convenient. The link to the online questionnaire on QuestionPro was distributed to students registered for Strategic Marketing on the MBA at the NMU Business School in 2020. The study targeted grocery retail customers residing in South Africa. In order to get in touch with the target audience, online survey invitations were distributed via e-mail using snowball sampling.

#### **3.8.2. Data Collection**

The data collection informs and guides the exploration of the research questions. It gives perspective and relevance to the research question (Kennedy & Lingard, 2006). The main research question of the treatise is: *How can the grocery retail sectors put customer needs at the centre of their business, which results in a good Customer Experience?*

#### **3.8.3. Measuring Instrument**

Maklan and Klaus (2011) developed a measure for CXQ, which was used for this study. Professor Phillip Klaus updated the study in 2020 and gave Professor Margaret

Cullen permission to use their questionnaire for this study. Permission for this can be found in Annexure C.

This study uses a positivistic philosophy, deductive reasoning approach, mono-method research methodology, quantitative methodology, with a cross-sectional time horizon.

### **3.9. DATA ANALYSIS**

Statistical analysis and data interpretation depends on the research approach (Ali & Bhaskar, 2016; Collis & Hussey, 2014). Data analysis gives meaning to numbers and data through interpretation and the reporting of research findings (Ali & Bhaskar, 2016). Ali and Bhaskar (2016) reinforces that the results and inferences of any study are precise only if appropriate statistical analysis are used. The study of “*Customer Experience in the grocery retail sector in South Africa*” will collect quantitative data from respondents obtained through an electronic questionnaire survey. See Annexure D for the study questionnaire. The results of the study will be statistically analysed by Dr. Danie Venter, a statistician from NMU.

#### **3.9.1. Exploratory Factor Analyses**

Multivariate data analysis will assist the researcher to simultaneously analyse multiple measurement of relationships (Hair, Black, Babin & Anderson, 2006) to improve decision-making. It enables the researcher to identify patterns from complex data collected. The analysis method used was Exploratory Factor Analysis (EFA). EFA analysis enables the researcher to explore a relationship between the factors to potentially discover a pattern (Costello & Osborne, 2005; Schreiber et al., 2006).

The number of factors extracted was analysed using two guidelines: Eigenvalues greater than 1 and the Scree plot. Factor loadings greater than or equal to 0.300 were deemed significant at the  $\alpha = 0.05$  level for the sample size  $n = 858$  in accordance with the recommendations by Hair et al. (2006). Scree plots are presented in graph format, with the y-axis representing the eigenvalues and the x-axis representing the number of factors. The scree plots will illustrate robustness of the factor analytic technique (Macrosson, 1999; Brown, 2001).



### 3.9.2. Reliability and Validity

According to Collis and Hussey (2014), the reliability of a study conveys the accuracy of the measurement of data and the absence of variation if the study were to be repeated. Saunders et al. (2009) cite that the validity of the research measures the integrity of the conclusions drawn from the study. The objective is to confirm that the data collected is a true representation of the research phenomena. According to Collis and Hussey (2014), discrepancies in the data may result from research question errors, ambiguously worded questions or respondents' lack of interest. This will result in lower validity.

Collis and Hussey (2014) suggest that the researcher needs to consider if the research study would produce the same data, if repeated in the future. The Cronbach's Alpha ( $\alpha$ ) acts as a statistical indicator of reliability (Schweizer, 2011). The Cronbach's  $\alpha$  range fluctuates between zero and 1, with 1 representing a perfect consistency (Schweizer, 2011). Table 3.2. illustrates the interpretation intervals for Cronbach's Alpha. This study made no references for the Cronbach's Alpha Coefficient index interpretation intervals because experts in the field are not in agreement. The reliability intervals are based on guidelines from various sources.

*Table 3.2. Cronbach's Alphas Coefficients interpretation (Source: Owner's own construct).*

0.80 +	Excellent
0.70 - 0.79	Good
0.60 - 0.69	Fair
0.50 - 0.59	Poor
< 0.50	Unacceptable

### 3.9.3. Descriptive statistics for the Factors

Descriptive statistics explain the relationship between factors. It gives a brief review of the measure of central tendency - mean, mode and median (Ali & Bhaskar, 2016). Central tendency and dispersion of respondent demographics will be included with the descriptive statistics. Measures of central tendency illustrate the mean, mode and median in the data:

- The mean refers to the average data values;
- the median value occupies the middle position; and

- the mode represents value that occurs most frequently in the data (Manikandan, 2011).

An exploratory study, such as this is best discussed with graphs and frequency tables (Cooper & Schindler, 2014). Measures of dispersion describe the extent of the data range by calculating the interquartile range and Standard Deviation (SD) (Manikandan, 2011). The interquartile range refers to the difference in the middle fifty percent of the values and the SD of the measure the variation to which the values differ from the mean (Manikandan, 2011; Saunders et al., 2009).

#### 3.9.4. One-Sample T-Tests and Inferential Ranking

According to Ali and Bhaskar (2016), inferential data analysis describes and make inferences about the whole population. The One-Sample T-Test compares the sample mean and the mid-point of the test factors (Gerald, 2018). It assumes that the dependent factor is normally distributed within the population and data is independent. Inferential data analysis allows the researcher to draw conclusions about the target population based upon a sample (Collis & Hussey, 2014).

Researchers must give an account of the effect size when reporting a statistically significant effect (Gravetter & Wallnau, 2009). Cohen's d effectively measures the effect size. According to Gravetter & Wallnau (2009), the effect size can be standardised by measuring the mean difference in terms of the SD. Table 3.3 illustrates Cohen's d interpretation intervals below, which indicates the practical significance for a One-Sample T-Test.

*Table 3.3. Cohen's d interpretation intervals (Source: Gravetter & Wallnau, 2009, p. 253).*

Cohen's d interpretation intervals	
< 0.20	Not significant
0.20 - 0.49	Small
0.50 - 0.79	Medium
0.80 +	Large

#### 3.9.5. Relationships between the Factors: Correlation and Chi-Square ( $\chi^2$ )

According to Collis and Hussey (2014), correlation measures the strength and direction of any existing linear relationship between the factors. It is a statistical method used by researchers to confirm or disprove the research conclusion.

Collis and Hussey (2014) explain that the correlation coefficient is a measure of the strength of the correlation and ranges from -1 (a perfectly negative correlation) to +1 (a perfectly positive correlation). Correlation Analysis is used to determine the extent of the change between one factor in relation to another - as one factor increases, the other factor will either increase (positive correlation) or decrease (negative correlation) (Collis & Hussey, 2014). Table 3.4. Illustrate the correlation interval and interpretation.

*Table 3.4. The Correlation interval interpretation (Source: Collis & Hussey, 2014).*

<b>Correlation Coefficient</b>	<b>Interpretation</b>
+ 1.00	Perfect positive linear association
+ 0.90 to + 0.99	Very high positive correlation
+ 0.70 to + 0.89	High positive correlation
+ 0.40 to + 0.69	Medium positive correlation
+ 0.01 to + 0.39	Low positive correlation
0	No linear association
- 0.01 to - 0.39	Low negative correlation
- 0.40 to - 0.69	Medium negative correlation
- 0.70 to - 0.89	High negative correlation
- 0.90 to - 0.99	Very high negative correlation
- 1.00	Perfect negative linear association

The Pearson correlation was used in this study to establish relationships between the investigated factors. A correlation coefficient is statistically significant at the 0.05 level for  $n = 858$  if  $|r| \geq .067$  and practically significant, regardless of the sample size, if  $|r| \geq .300$ . Thus significant (both statistically and practically) if  $|r| \geq .300$  (Gravetter & Wallnau, 2009).

According to Collis and Hussey (2014), the statistical test for  $\chi^2$  ( $\chi^2$ ) is a distribution free test of association for two factors measured on a nominal scale. It utilises cross-tabulation analysis as part of bivariate analysis. The interpretation of Cramer's V and p-values shows the practical significance for  $\chi^2$ . Table 3.5. illustrate the acceptable ranges, with the  $\chi^2$  target set at  $p > .05$ . The target Chi-square for per degrees of freedom (df) is  $\leq 3$ .

Table 3.5. Interpretation intervals for Cramer's V (Source: Gravetter & Wallnau, 2009, p. 586).

	<b>Small effect</b>	<b>Medium effect</b>	<b>Large effect</b>
df* = 1	.10 < V < .30	.30 < V < .50	V > .50
df* = 2	.07 < V < .21	.21 < V < .35	V > .35
df* ≥ 3	.06 < V < .17	.17 < V < .29	V > .29

### 3.9.6. Relationships between the Demographic Variables and the Factors

Analysis of variance (ANOVA) is a tool in exploratory and confirmatory data analysis, which measures the statistical relationship between the means of groups in the study (Stoker, Tian & Kim, 2020). In ANOVA, the null hypotheses assume that there is no relationship between the factors and the alternative hypotheses are that the relationship is real and not due to chance (Stoker et al., 2020).

According to Huberty and Morris (1992) univariate analysis of variance, involves single outcome factor and multivariate analysis of variance (MANOVA) involves multiple outcome factors. This study will undertake to perform hypotheses tests to explore the relationship between the dependent and independent factor of Customer Experience based upon the demographic information supplied by the respondents.

It is imperative that a researcher has a basic understanding of statistical methods when conducting a research study. Incorrect use of statistical techniques and analysis may lead to errors in data interpretation and faulty conclusions, which will undermine the significance of the research (Ali & Bhaskar, 2016). The purpose of the statistical analysis is to accept or reject the proposed hypotheses. The statistical data analysis will include central tendency and dispersion of each factor.

### **3.10. RESEARCH HYPOTHESES**

Chapter 2 highlights the proposed conceptual model Figure 2.8, which originated from the literature review. The sub-section proposes the hypotheses, following the statistical analysis. The hypotheses formulated here, will be accepted or rejected in Chapter 4. It will support the conclusions drawn in Chapter 5.

#### **3.10.1. Hypothesis One ( $H_1$ ): Brand Experience**

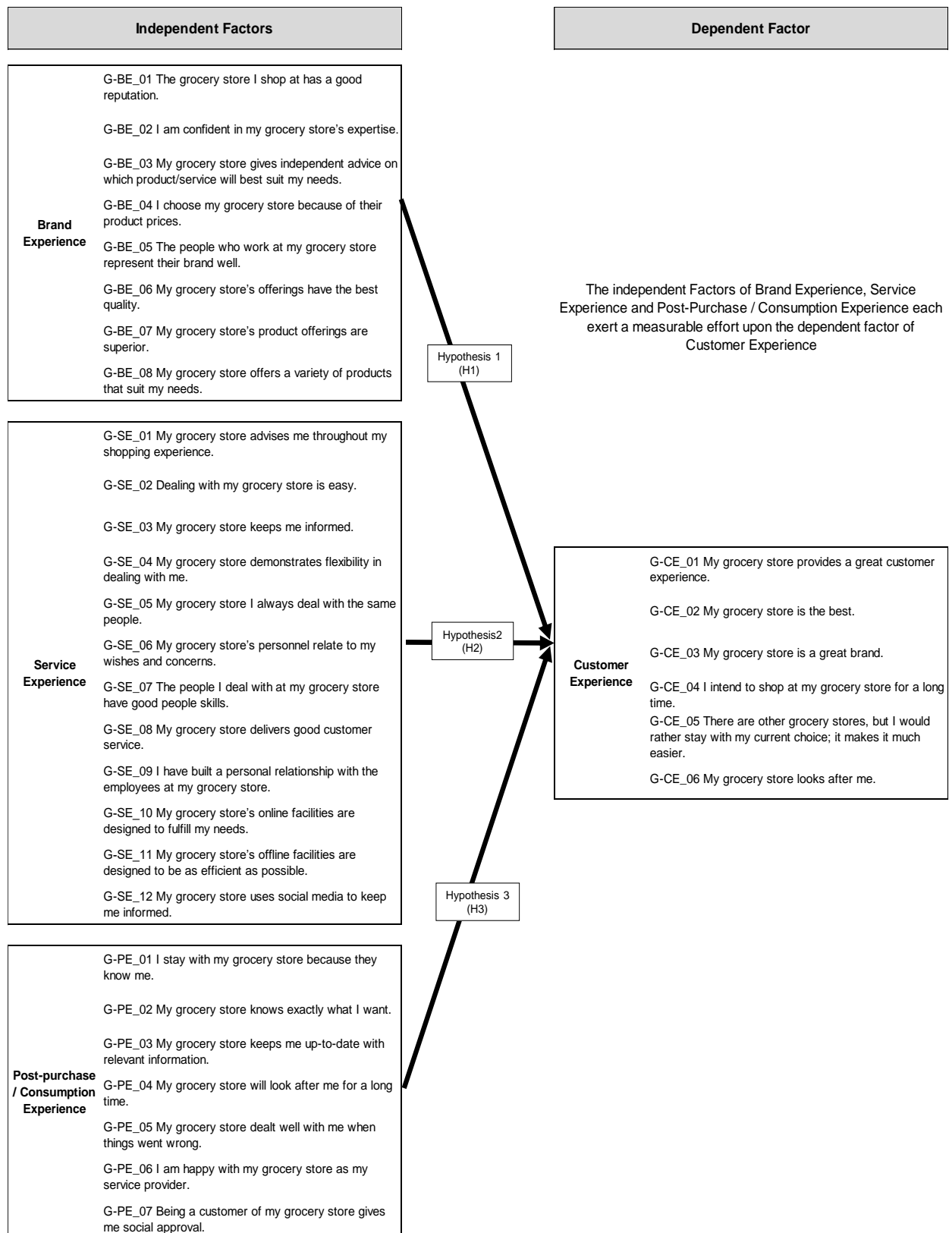
**HA<sub>1</sub>:** Brand Experience has a significant and positive influence on Customer Experience.

#### **3.10.2. Hypothesis Two ( $H_2$ ): Service Experience**

**HA<sub>2</sub>:** Service Experience has a significant and positive influence on Customer Experience.

#### **3.10.3. Hypothesis Three ( $H_3$ ): Post-purchase / Consumption Experience**

**HA<sub>3</sub>:** Post-purchase / Consumption Experience has a significant and positive influence on Customer Experience.



*Figure 3.3. The Hypothesised Model of determinants of Customer Experience (Source: Author's own construct).*

#### 3.10.4. Hypothesised Model

Figure 3.4. illustrates the Hypothesised Model proposed for this study based on the independent factors.

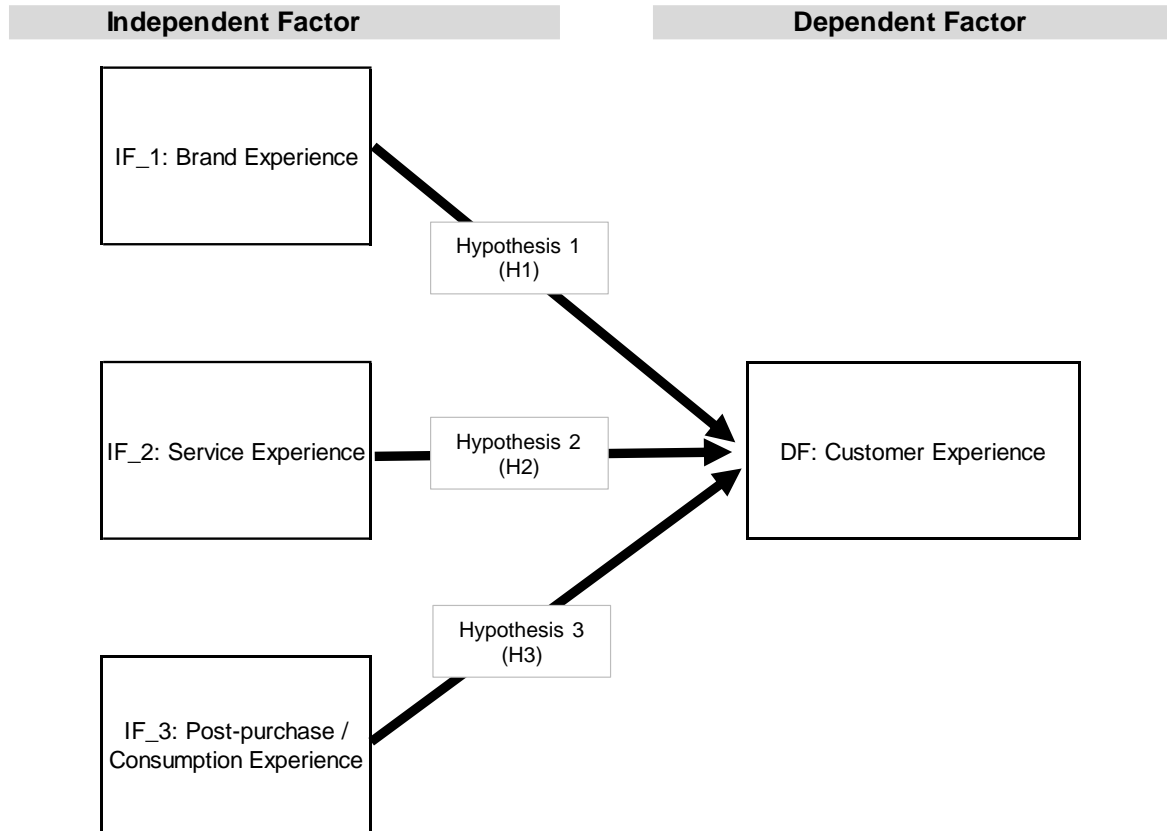


Figure 3.4. The Hypothesised Model of this study (Source: Author's own construct).

The model represents the independent and dependent factors used to examine Customer Experience in this study. The hypotheses aim to establish a relationship linking the CX (dependent factor) and BE, SE and PE – all independent factors.

#### 3.11. REPORTING OF THE FINDINGS

This section highlights how the findings will be reported in Chapter 4. The study is based on positivistic research using quantitative methods of analysis, on which recommendations and managerial conclusions are based from the statistical data analysis. Researchers must present insight and context of the research information that can be shared and applied by management (Malterud, 2001). Researchers and academics do not seek raw data but findings that can be applied beyond the study setting (Malterud, 2001; Cooper & Schindler, 2014).

This section of the report outlines the method of how the findings will be reported based on the statistical analysis in relation to the research question and research objective. Malterud (2001) suggest the the following guidelines to reporting the findings with the following questions:

- Are the research findings relevant with respect to the research objective of the study?
- Do the findings provide new insight into the research problem?
- Is the presentation of the findings systematically analysed and well organised?
- Are quotes obtained from the findings used adequately to support and enrich the researcher's synopsis of the patterns identified through systematic analysis?

The research study is a holistic process and enables the researcher to engage with the findings to identify knowledge gaps and future research opportunities not covered in the study. Grey (2004) notes that the writing up of a research study is not left to a later stage; instead, it is an ongoing process from the beginning. This permits the researcher to interact with the study data, to reveal knowledge gaps and identify where a future investigation may be useful. Researchers have a responsibility to publicise a study's technical limitations and shortcomings – thereby encouraging future research studies (Babbie, 2012).

Chapter 4 presents the results and analysis of this study. The findings, conclusion and recommendation of this study are conducted in Chapter 5.

### **3.12. ETHICAL REQUIREMENTS**

Doody and Noonan (2016) explain that ethics is important for research and the protection of those involved in the research project. Ethics represents the moral values which dictate the rules for acceptable behaviour and conduct (Collis & Hussey, 2014). The authors emphasise that it is important to protect the anonymity and confidentiality of participants in the survey.

This study of CX in the grocery retail sector in South Africa guarantees confidentiality as no personal information of respondents will be gathered. Furthermore, the participation and completion of the questionnaire is done voluntary and anonymously.



NMU has a criteria to evaluate the type of ethical clearance that is required for a proposed research project. The ethics number approved by the NMU's REC-H is H20-BES-BES-013. The NMU ethics approval letter is attached as Annexure A.

### 3.13. CHAPTER SUMMARY

The objective of Chapter 3 was to describe the research design and methodology. This chapter addresses **RQ<sub>4</sub>**: *What research design will be used in this study?* and corresponding **RO<sub>4</sub>**: *Establish the most appropriate research design and methodology and explain with sufficient detail for future studies.*

To achieve this, research was done on the appropriate literature to explore the various research philosophies of research, namely positivism, realism, interpretivism, post modernism and pragmatism. The chapter reviewed the approach to theory development, the research methodology, research design, time horizon and techniques and procedures for data collection. This study uses a positivistic philosophy, deductive reasoning approach, mono-method research methodology, survey-data collection method and a cross-sectional time horizon.

The chapter recognised the unit of analysis as South African customers in the grocery retail sector. It discussed the sampling design, including the database used in the study. An online questionnaire will be used for data collection. The data analyses strategy were discussed. It briefly discussed reliability and validity to ensure data collected is valid and reliable.

Chapter 3 discussed the hypotheses and ethical requirements for the study. Figure 3.5. illustrates the selected research design and methodology the study.

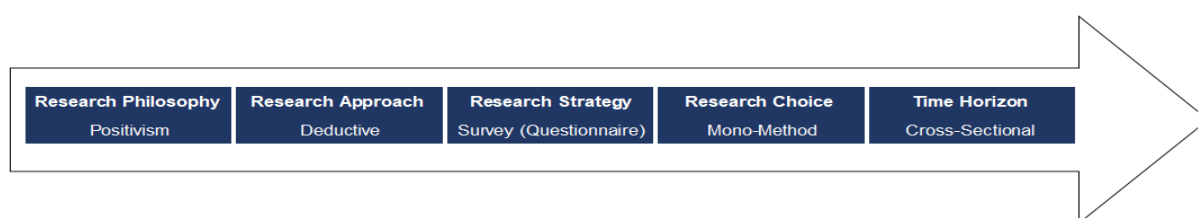


Figure 3.5. The Research Design and Methodology for this study (Source: Author's own construct).

Chapter 4 is a statistical analysis of the data that has been collected. The chapter will present and discuss the various findings for this study.

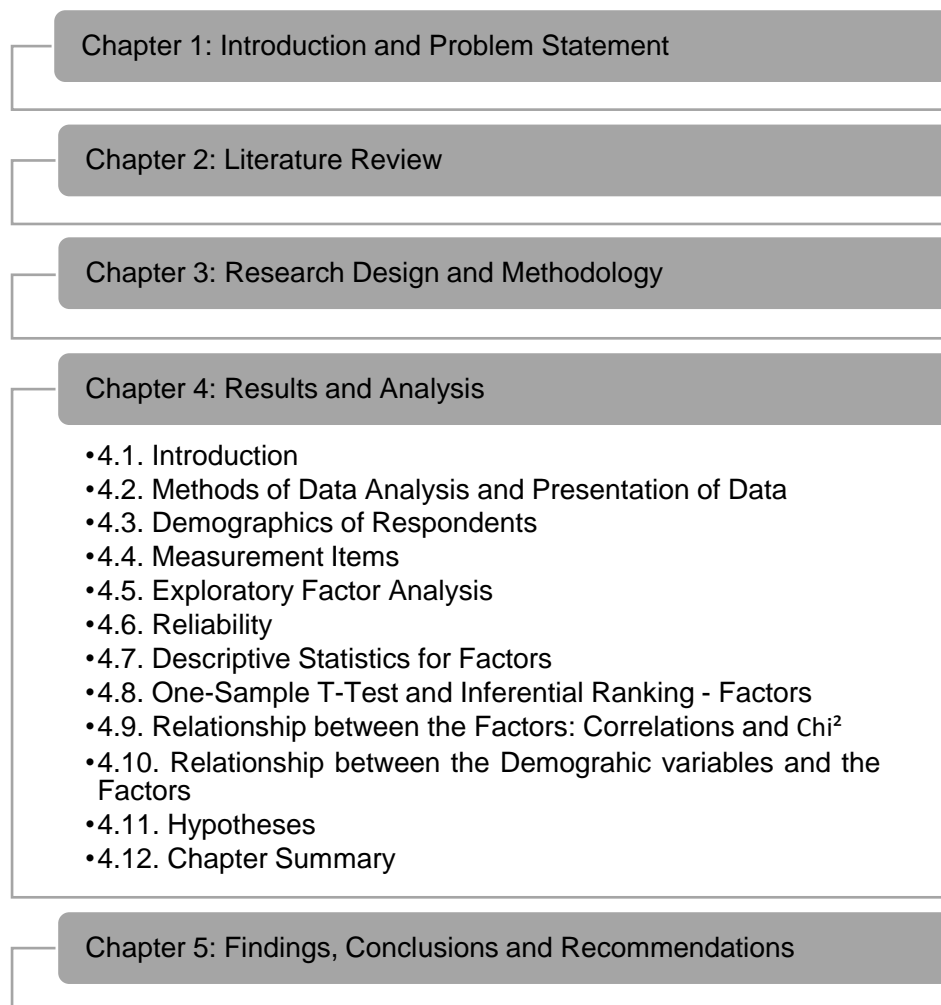
## **4. CHAPTER 4: RESULTS AND ANALYSIS**

### **4.1. INTRODUCTION**

Chapter 3 discussed the research methodology and approach followed in this study. This is done to address the supporting research. As such, **RQ4**: *What research design will be used in this study?* and corresponding **RO4**: *Establish the most appropriate research design and methodology and explain with sufficient detail for future studies* was answered. In addition, Chapter 3 introduced various statistical analyses and parameters that will be used in Chapter 4.

This chapter, Chapter 4, presents and discusses the results that were collected in the empirical investigation. As such, **RQ4**: *What are the relationships between the independent and dependant factors of Customer Experience in the grocery retail sector in South Africa?* Corresponding to **RO4**: *Determine which factors have a significant influence on Customer Experience in the grocery retail sector* were addressed.

Chapter 4 will discuss various sections of the questionnaire including the demographics of participants, analyses and measurement items to make sense of the collected survey data. Figure 4.1. provides the framework of Chapter 4.



*Figure 4.1. The Framework for Chapter 4 (Source: Author's own construct)*

*Table 4.1. Research Questions and Objectives relevant to Chapter 4 (Source: Author's own construct)*

Chapter	Secondary Research Questions	Research Objectives
Chapter 4: Analysis and Results	What are the relationships between the independent and dependent factors of Customer Experience in the grocery retail sector in South Africa?	Determine which factors have a significant influence on Customer Experience in the grocery retail sector.

## 4.2. METHODS OF DATA ANALYSIS AND PRESENTATION OF DATA

Raw research data alone offers little meaning (Saunders et al., 2009). Quantitative information can be conveyed by graphs, which is a powerful statistical tool to give insight and understanding of the structure of data (Chambers, 2018). Chambers (2018) explain that patterns and relationships are easier to understand through visual displays than by any other data analysis method.

This study uses statistical analysis to measure and explore the relationships that exist between the dependent and independent factors by investigating the measures of central tendency and dispersion of factors. The findings presented in this study represent a sample size of 858 respondents ( $n = 858$ ). Dr. Danie Venter, a statistical consultant of the Nelson Mandela University, statistically analysed the data obtained from the respondents with the use of statistical software, STATISTICA. The responses gathered describe the respondents' demographic information and the respondents' assessment of BE, SE, PE and CX in the grocery retail sector in South Africa. Table 4.2. illustrates the statistical analyses conducted in this research study.

*Table 4.2. Overview of the statistical tests conducted in this research study (Source: Author's own construct).*

Number	Data Analysis	Statistical Test
1	Demographic Profile of the Sample	Frequency distribution of each factor
2	Frequency Distributions - Questionnaire Items	Frequency distribution of each Likert item
3	Factor Analysis	Exploratory Factor Analysis (EFA)
4	Reliability of the Scores for the Factors	Cronbach's Alpha Coefficient
5	Descriptive Statistics for the Factors	Central Tendency and Dispersion
6	One-Sample T-Tests and Inferential Ranking - Factors	One-Sample T-Tests, Cohen's d and Ranking Agreement Index
7	Relationships between the Factors	Pearson Product Moment Correlations between the Factors, Chi-square Test
8	Relationships between Demographic variables and Factors	ANOVA

### 4.3. DEMOGRAPHICS OF RESPONDENTS

The following sub-section present the demographic profile of respondents from data collected using the questionnaire, with the sample size being 858 people (n = 858). The profiles are broken down according to gender, age, household monthly income, highest qualification the most often used grocery store.

#### 4.3.1. Demographic Profile of the Respondents (n = 858).

Table 4.3. Frequency Distribution: Demographic Profile of the Respondents (n = 858).

Frequency distribution - Gender	
Male	38 % (n = 326)
Female	62 % (n = 532)
Total	100 % (n = 858)

Frequency distribution - Age of Respondents	
18 - 29	26.1 % (n = 224)
30 - 39	44.4 % (n = 381)
40 - 49	20.4 % (n = 175)
50 - 59	7.3 % (n = 63)
60 +	1.7 % (n = 15)
Total	100 % (n = 858)

Frequency distribution - Household monthly income	
< R10 000.00	14.3 % (n = 123)
R10 000.01 - R20 000.00	21.6 % (n = 185)
R20 000.01 - R40 000.00	32.8 % (n = 281)
R40 000.01 - R60 000.00	17.6 % (n = 151)
>R60 000.00	13.8 % (n = 118)
Total	100 % (n = 858)

Frequency distribution - Highest qualification	
Less than matric	1% (n = 7)
Matric	12% (n = 102)
Certificate	8% (n = 68)
Diploma	22% (n = 189)
Degree	28 % (n = 243)
Post-Graduate degree	29% (n = 249)
Total	100 % (n = 858)

Respondents in the study were requested to indicate their gender by selecting from two alternatives, namely Male or Female. Figure 4.3. depicts that the majority of respondents were female (62%, n = 532) and the remaining 38% were male (n = 326). These results confirm a fair representation of shoppers. As most respondents were female, it can influence the results of the survey.

The majority of respondents 44% (n = 381) of respondents were aged between 30 years to 39 years, while only 26% (n = 224) were between 18 years to 29-year-old. The remaining 9 % (n =78) were 50 years and older.

Respondents were asked to indicate their monthly household income and most respondents (50%,  $n = 432$ ) have a monthly household income between R20 000 and R60 000. Fourteen percent ( $n = 118$ ) of respondents earn more than R60 000 per month while only thirty-six percent ( $n = 14$ ) of respondents have a household income of less than R20 000.

Respondents were asked to indicate their level of education. It can be observed that most respondents (57%,  $n = 492$ ) have a Degree qualification. Twenty-two percent of respondents ( $n = 95$ ) have a Diploma, with 12% ( $n = 102$ ) being in possession of a Matric certificate and 1% ( $n = 7$ ) having less than Matric.

Household income and the level of education can influence the results as the majority in each category represent young professionals. The following tables highlights the representative majority (in blue) from the two categories.

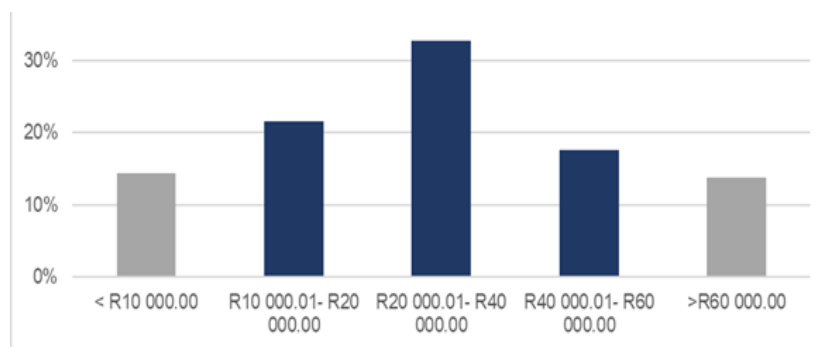


Figure 4.2. Frequency Distribution: Household monthly income ( $n = 858$ ).

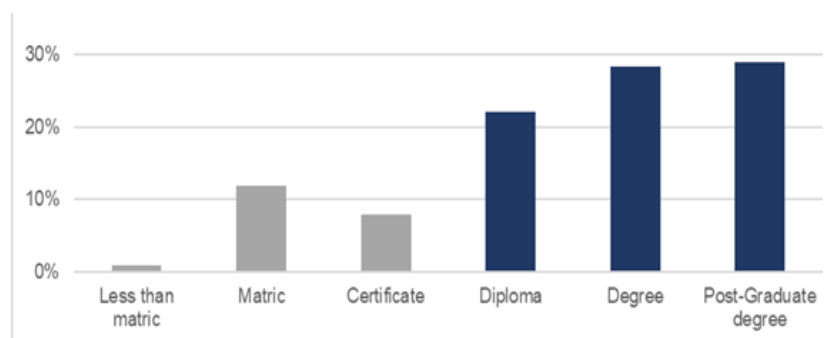


Figure 4.3. Frequency Distribution: Highest qualification ( $n = 858$ ).

#### 4.3.2. Grocery store used most often

Respondents were asked to indicate the grocery store most often used. Figure 4.4., presents that most respondents (29%, n = 250) make use of Pick n Pay, followed by Checkers (24%, n = 205) and Spar (23%, n = 198). Three percent (n = 25) make use of Makro, while the remaining respondents (2%, n =17) make use of other grocery retail stores.

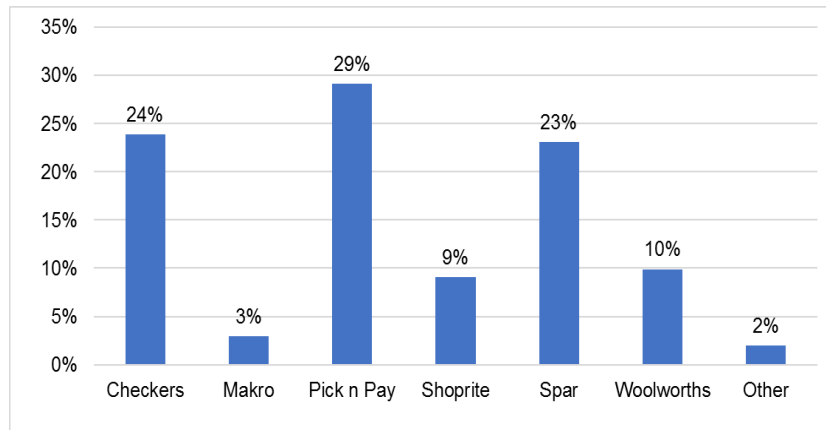


Figure 4.4. Frequency Distribution: Grocery store used most often.

Household income and the level of education can once again influence the results as this can impact the customer's choice of grocery store to use.

#### 4.4. MEASUREMENT ITEMS

This section details the responses received for each factor, based on a 5-point Likert scale. The Questionnaire comprised of five-point Likert scales (one to 5) "Strongly disagree", "Disagree", "Neutral" "Don't know", "Agree" and "Strongly Agree" with an additional option for "I do not know". Table 4.4. provides a framework for reporting the empirical results. The following sub-sections present the frequency distributions for all the questionnaire items for the factors of grocery stores. A total sample of 858 respondents participated in this study.

Table 4.4. Table for reporting the Empirical Results.

Table for Reporting Empirical Results
Negative = Strongly Disagree and Disagree
Neutral = Neither Agree nor Disagree and Do not know
Positive = Agree and Strongly Agree

#### 4.4.1. Measurement Item: Brand Experience

Respondents were requested to indicate their choice from eight questions intended to measure their Brand Experience in grocery stores. Table 4.5. summarises the responses of the respondents.

*Table 4.5. Frequency Distributions: Brand Experience (n = 858).*

	Negative	Neutral	Positive
Brand Experience_01 The grocery store I shop at has a good reputation.	2% (n = 19)	11% (n = 92)	87% (n = 747)
Brand Experience_02 I am confident in my grocery store's expertise.	4% (n = 33)	14% (n = 122)	82% (n = 703)
Brand Experience_03 My grocery store gives independent advice on which product/service will best suit my needs.	28% (n = 242)	34% (n = 291)	38% (n = 325)
Brand Experience_04 I choose my grocery store because of their product prices.	14% (n = 123)	21% (n = 178)	65% (n = 557)
Brand Experience_05 The people who work at my grocery store represent their brand well.	10% (n = 84)	29% (n = 250)	61% (n = 524)
Brand Experience_06 My grocery store's offerings have the best quality.	6.4% (n = 55)	22.4% (n = 192)	71.2% (n = 611)
Brand Experience_07 My grocery store's product offerings are superior.	11% (n = 94)	34% (n = 295)	55% (n = 469)
Brand Experience_08 My grocery store offers a variety of products that suit my needs.	2% (n = 16)	8% (n = 67)	90% (n = 775)

Eighty-seven percent (n = 747) of respondents agreed that the *grocery store* where they shop *has a good reputation*, with 2% (n = 19) disagreeing. The remaining 11% (n = 92) were neutral. Eighty-two percent (n = 703) of respondents agreed that they are *confident in their grocery store's expertise*, with 4% (n = 33) disagreeing. The remaining 14% (n = 122) were neutral.

Thirty-eight percent (n = 325) of respondents agreed that their *grocery store gives independent advice on which product / service will best suit their needs*, with 28% (n = 242) were disagreeing. The remaining 34% (n = 291) were neutral. Sixty-five percent (n = 557) of respondents agreed that they choose the *grocery store because of their*



*product prices*, with 14% (n = 123) disagreeing. The remaining 21% (n = 178) were neutral.

Sixty-one percent (n = 524) of respondents agreed that *the people who work at my grocery store represent their brand well*, with 10% (n = 84) disagreeing. The remaining 29% (n = 250) were neutral. Seventy-one percent (n = 611) of respondents agreed that their *grocery store's offerings have the best quality*, with 6% (n = 55) disagreeing. The remaining 22% (n = 192) were neutral.

Fifty-five percent (n = 469) of respondents agreed that their *grocery store's product offerings are superior*, with 11% (n = 94) disagreeing. The remaining 34% (n = 295) were neutral. Ninety percent (n = 775) of respondents agreed that their *grocery store offers a variety of products that suit their needs*, with 2% (n = 16) disagreeing. The remaining 8% (n = 67) were neutral.

#### 4.4.2. Measurement Item: Service Experience

Respondents were requested to indicate their choice from twelve questions intended to measure their Service Experience in grocery stores. Table 4.6. summarises the response of the respondents.

*Table 4.6. Frequency Distributions: Service Experience (n = 858).*

	Negative	Neutral	Positive
Service Experience_01 My grocery store advises me throughout my shopping experience.	41.6% (n = 357)	31.7% (n = 272)	26.7% (n = 229)
Service Experience_02 Dealing with my grocery store is easy.	3% (n = 25)	13% (n = 110)	84% (n = 723)
Service Experience_03 My grocery store keeps me informed.	16% (n = 136)	22% (n = 188)	62% (n = 534)
Service Experience_04 My grocery store demonstrates flexibility in dealing with me.	12% (n = 103)	41% (n = 348)	47% (n = 407)
Service Experience_05 My grocery store I always deal with the same people.	39.6% (n = 340)	27.7% (n = 238)	32.7% (n = 280)

Service Experience_06 My grocery store's personnel relate to my wishes and concerns.	15.1% (n = 130)	39.4% (n = 338)	45.5% (n = 390)
Service Experience_07 The people I deal with at my grocery store have good people skills.	10.8% (n = 93)	27.5% (n = 236)	61.7% (n = 529)
Service Experience_08 My grocery store delivers good customer service.	7% (n = 58)	20% (n = 175)	73% (n = 625)
Service Experience_09 I have built a personal relationship with the employees at my grocery store.	42.3% (n = 363)	27.3% (n = 234)	30.4% (n = 261)
Service Experience_10 My grocery store's online facilities are designed to fulfill my needs.	18% (n = 156)	46% (n = 397)	36% (n = 305)
Service Experience_11 My grocery store's offline facilities are designed to be as efficient as possible.	12% (n = 99)	41% (n = 356)	47% (n = 403)
Service Experience_12 My grocery store uses social media to keep me informed.	24% (n = 210)	29% (n = 249)	47% (n = 399)

Forty-two percent (n = 357) of respondents disagreed that *grocery store advises them throughout the shopping experience*, with 27% (n = 229) agreeing. The remaining 32% (n = 272) were neutral. Eighty-four percent (n = 723) of respondents found *dealing with their grocery store to be easy*, with 3% (n = 25) disagreeing. The remaining 13% (n = 110) were neutral.

Sixty-two percent (n = 534) agreed that their *grocery store keeps them informed*, with 16% (n = 136) disagreeing. The remaining 22% (n = 188) were neutral. Forty-seven percent (n = 407) of respondents agreed that their *grocery store demonstrates flexibility in dealing with them*, with 12% (n = 103) disagreeing. The remaining 41% (n = 348) were neutral.

Forty percent (n = 340) of respondents disagreed that in their *grocery store they always deal with the same people*, with 33% (n = 280) respondents agreeing. The remaining 28% (n = 238) of respondents were neutral. Forty-five percent (n = 390) of respondents agreed that their *grocery store's personnel relate to their wishes and concerns*, with 15% (n = 130) disagreeing. The remaining 39% (n = 338) were neutral.

Sixty-two percent (n = 529) of respondents agreed that *the people* they dealt with at their *grocery store have good people skills*, with 11% (n = 93) disagreeing. The remaining 28% (n = 236) were neutral. Seventy-three percent (n = 625) of respondents agreed that their *grocery store delivers good customer service*, with 7% (n = 58) disagreeing. The remaining 20% (n = 175) were neutral.

Forty-two percent (n = 363) of respondents agreed that they have *built a personal relationship with the employees* at their grocery store, with 30% (n = 261) disagreeing. The remaining 27% (n = 234) were neutral. Thirty-six percent (n = 305) of respondents agreed that their *grocery store's online facilities are designed to fulfill their needs*, with 18% (n = 156) disagreeing. The remaining 46% (n = 397) were neutral.

Forty-seven percent (n = 403) of respondents agreed that their *grocery store's offline facilities are designed to be as efficient as possible*, with 12% (n = 99) disagreeing. The remaining 41% (n = 356) were neutral. Forty-seven percent (n = 399) of respondents agreed that their *grocery store uses social media to keep them informed*, with 24% (n = 210) disagreeing. The remaining 29% (n = 249) were neutral.

#### 4.4.3. Measurement Item: Post-purchase / Consumption Experience

Respondents were requested to indicate their choice from seven questions intended to measure their Post-Purchase Experience in grocery stores. Table 4.7. summarises the response of the respondents.

*Table 4.7. Frequency Distributions: Post-purchase / Consumption Experience (n = 858).*

	Negative	Neutral	Positive
Post-purchase / Consumption Experience _01 I stay with my grocery store because they know me.	51% (n = 441)	30% (n = 254)	19% (n = 163)
Post-purchase / Consumption Experience _02 My grocery store knows exactly what I want.	30% (n = 256)	36% (n = 310)	34% (n = 292)
Post-purchase / Consumption Experience _03 My grocery store keeps me up-to-date with relevant information.	21% (n = 182)	25% (n = 210)	54% (n = 466)
Post-purchase / Consumption Experience _04 My grocery store will look after me for a long time.	23% (n = 195)	41% (n = 350)	36% (n = 313)

Post-purchase / Consumption Experience _05 My grocery store dealt well with me when things went wrong.	15% (n = 131)	39% (n = 333)	46% (n = 394)
Post-purchase / Consumption Experience _06 I am happy with my grocery store as my service provider.	4% (n = 38)	21% (n = 179)	75% (n = 641)
Post-purchase / Consumption Experience _07 Being a customer of my grocery store gives me social approval.	26% (n = 222)	44% (n = 378)	30% (n = 258)

Fifty-one percent (n = 441) of respondents disagreed that they *stay with their grocery store because they know them*, with 19% (n = 163) respondents agreeing. The remaining 30% (n = 254) of respondents were neutral. Thirty-four percent (n = 292) of respondents agreed that their *grocery store knows exactly what they want*, with 30% (n = 256) disagreeing. The remaining 36% (n = 310) were neutral.

Fifty-four percent (n = 466) of respondents agreed that their *grocery store keeps them up-to-date with relevant information*, with 21% (n = 182) disagreeing. The remaining 25% (n = 210) were neutral. Thirty-six percent (n = 313) of respondents agreed that their *grocery store will look after them for a long time*, with 23% (n = 195) disagreeing. The remaining 41% (n = 350) were neutral.

Forty-six percent (n = 394) of respondents agreed that *their grocery store dealt well with them when things went wrong*, with 15% (n = 131) disagreeing. The remaining 39% (n = 333) were neutral. Seventy-five percent (n = 641) of respondents agreed that they are *happy with their grocery store as their service provider*, with 4% (n = 38) disagreeing. The remaining 21% (n = 179) were neutral. Thirty percent (n = 258) of respondents agreed that being a customer of their *grocery store gives them social approval*, with 26% (n = 222) disagreeing. The remaining 44% (n = 378) were neutral.

#### 4.4.4. Measurement Item: Customer Experience

Respondents were asked to indicate their choice from six questions intended to measure their Customer Experience in Grocery stores. Table 4.8. summarises the response of the respondents.

*Table 4.8. Frequency Distributions: Customer Experience (n = 858).*

	<b>Negative</b>	<b>Neutral</b>	<b>Positive</b>
Customer Experience_01 My grocery store provides a great Customer Experience.	6% (n = 51)	25% (n = 218)	69% (n = 589)
Customer Experience_02 My grocery store is the best.	11.7% (n = 100)	35.8% (n = 307)	52.6% (n = 451)
Customer Experience_03 My grocery store is a great brand.	2.6% (n = 22)	16.8% (n = 144)	80.7% (n = 692)
Customer Experience_04 I intend to shop at my grocery store for a long time.	5% (n = 46)	18% (n = 151)	77% (n = 661)
Customer Experience_05 There are other grocery stores but I would rather stay with my current choice; it makes it much easier.	12% (n = 105)	20% (n = 172)	68% (n = 581)
Customer Experience_06 My grocery store looks after me.	18% (n = 151)	42% (n = 360)	40% (n = 347)

Sixty-nine percent (n = 589) of respondents agreed that their *grocery store provides a great Customer Experience*, with 6% (n = 51) disagreeing. The remaining 25% (n = 218) were neutral. Fifty-three percent (n = 451) of respondents agreed that their *grocery store is the best*, with 12% (n = 100) disagreeing. The remaining 36% (n = 307) were neutral.

Eighty-one percent (n = 692) of respondents agreed that their grocery store is a great brand, with 3% (n = 22) disagreeing. The remaining 17% (n = 144) were neutral. Seventy-seven percent (n = 661) of respondents agreed that they *intend to shop at their grocery store for a long time*, with 5% (n = 46) disagreeing. The remaining 18% (n = 151) were neutral.

Sixty-eight percent (n = 581) of respondents agreed that *there are other grocery stores but they would rather stay with their current choice as it makes it much easier*, with

12% (n = 105) disagreeing. The remaining 20% (n = 172) were neutral. Forty percent (n = 347) of respondents agreed that their *grocery store looks after* them, with 18% (n = 151) disagreeing. The remaining 42% (n = 360) were neutral.

#### 4.5. EXPLORATORY FACTOR ANALYSIS

Exploratory Factor Analysis (EFA) is an exploratory statistical technique (Costello & Osborne, 2005) that identifies the common elements amongst a set of measured factors (Watkins, 2018). EFA aims to develop a simple analysis and interpretation by reducing the number of factors, assess the relationship between the measured factors and provides evidence of validity for proposed theories (Schreiber et al., 2006; Williams, Onsman & Brown, 2010).

This study is on CX in the grocery retail sector in South Africa. The purpose of conducting EFA was to explore the relationships amongst the measured factors and to identify any evident patterns in the factor relationships. To determine these relationships and their significance, the study uses Eigenvalues and factor loadings. The number of factors to extract was determined using two guidelines: Eigenvalues greater than 1 and the scree plot. Factor loadings greater than or equal to 0.300 were deemed significant at the  $\alpha = 0.05$  level for the sample size  $n = 858$  in accordance with the recommendations by Hair et al. (2006). Based on the results of the survey, the Eigenvalues and related EFA loadings are illustrated below. For each factor, only the most optimal factor loadings are illustrated in the sub-sections.

##### 4.5.1. EFA: Brand Experience

For Brand Experience, one factor delivered significant Eigenvalues (6.959) and Scree Plot, which explain 87.0% of the variance for brand experience.

Table 4.9. EFA Eigenvalues: Brand Experience (n = 858).

Factor	Eigenvalue	% Total Variance
1	6.959	87.0
2	0.318	4.0
3	0.233	2.9
4	0.175	2.2
5	0.112	1.4
6	0.077	1.0
7	0.073	0.9
8	0.052	0.6

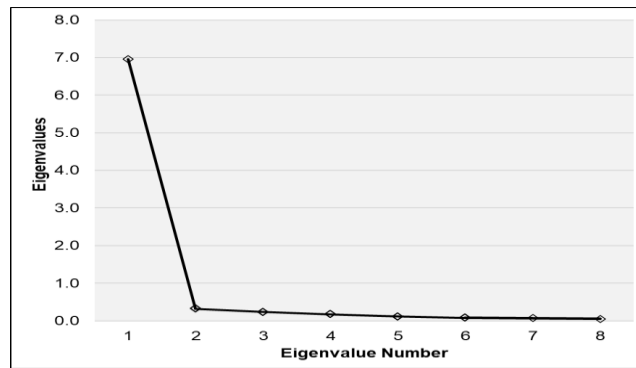


Figure 4.5. Scree Plot: Brand Experience (n = 858).

To achieve the most optimal factor model, the EFA loadings for the factor items were evaluated for significance. The minimum loading deemed significant was 0.300. After several EFA iterations, the most optimal solution was found to be with items Brand Experience\_01 to Brand Experience\_08, with no items omitted. Table 4.10. shows the final items loaded for Factor 1. All items met the minimum score of .300 to be deemed significant and account for 87.0 % of the total variance. The eight items were therefore included in the one-factor model.

Table 4.10. EFA Loadings (1 Factor Model): Brand Experience (n = 858).

Item	Factor 1
Brand Experience_04 I choose my grocery store because of their product prices.	<b>.950</b>
Brand Experience_06 My grocery store's offerings have the best quality.	<b>.941</b>
Brand Experience_05 The people who work at my grocery store represent their brand well.	<b>.939</b>
Brand Experience_02 I am confident in my grocery store's expertise.	<b>.935</b>
Brand Experience_07 My grocery store's product offerings are superior.	<b>.928</b>
Brand Experience_01 The grocery store I shop at has a good reputation.	<b>.926</b>
Brand Experience_08 My grocery store offers a variety of products that suit my needs.	<b>.922</b>
Brand Experience_03 My grocery store gives independent advice on which product / service will best suit my needs.	<b>.919</b>
Percentage of Total Variance Explained = 87.0%	

#### 4.5.2. EFA: Service Experience

For Service Experience, one factor delivered significant Eigenvalues (9.627) and Scree Plot, which explain 80.2% of the variance.

Table 4.11. EFA Eigenvalues: Service Experience (n = 858).

Factor	Eigenvalue	% Total Variance
1	9.627	80.2
2	0.876	7.3
3	0.421	3.5
4	0.292	2.4
5	0.220	1.8
6	0.153	1.3
7	0.138	1.2
8	0.076	0.6
9	0.074	0.6
10	0.056	0.5
11	0.037	0.3
12	0.028	0.2

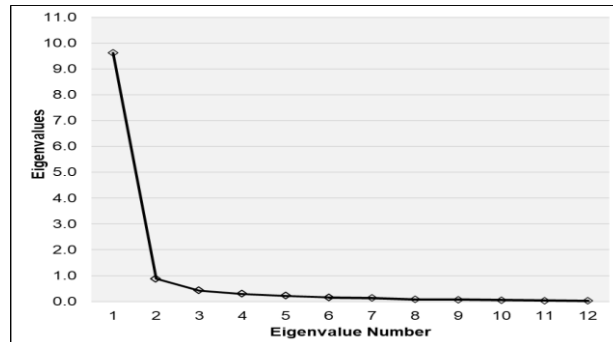


Figure 4.6. Scree Plot: Service Experience (n = 858).

To achieve the most optimal factor model, the EFA Loadings for the factor items were evaluated for significance. The minimum loading deemed significant was 0.300. After several EFA iterations, the most optimal solution was found to be with items Service Experience\_01 to Service Experience\_12, with no items omitted. Table 4.12. shows the final items loaded for Factor 1. All items met the minimum score of .300 to be deemed significant and account for 80.2 % of the total variance. The twelve items were therefore included in the one-factor model.

Table 4.12. EFA Loadings (1 Factor Model): Service Experience (n = 858)

Item	Factor 1
Service Experience_03 My grocery store keeps me informed.	.951
Service Experience_07 The people I deal with at my grocery store have good people skills.	.934
Service Experience_06 My grocery store's personnel relate to my wishes and concerns.	.926
Service Experience_05 My grocery store I always deal with the same people.	.925



Service Experience_09 I have built a personal relationship with the employees at my grocery store.	<b>.925</b>
Service Experience_04 My grocery store demonstrates flexibility in dealing with me.	<b>.924</b>
Service Experience_01 My grocery store advises me throughout my shopping experience.	<b>.923</b>
Service Experience_08 My grocery store delivers good customer service.	<b>.907</b>
Service Experience_02 Dealing with my grocery store is easy.	<b>.887</b>
Service Experience_12 My grocery store uses social media to keep me informed.	<b>.870</b>
Service Experience_11 My grocery store's offline facilities are designed to be as efficient as possible.	<b>.796</b>
Service Experience_10 My grocery store's online facilities are designed to fulfill my needs.	<b>.761</b>
Percentage of Total Variance Explained = 80.2%	

#### 4.5.3. EFA: Post-purchase / Consumption Experience

For Post-Purchase Experience, one factor delivered significant Eigenvalues (3.633) and Scree Plot, which explain 51.9 % of the variance.

Table 4.13. EFA Eigenvalues: Post-Purchase / Consumption Experience (n = 858).

Factor	Eigenvalue	% Total Variance
<b>1</b>	<b>3.633</b>	<b>51.9</b>
2	0.825	11.8
3	0.648	9.3
4	0.573	8.2
5	0.498	7.1
6	0.438	6.3
7	0.385	5.5

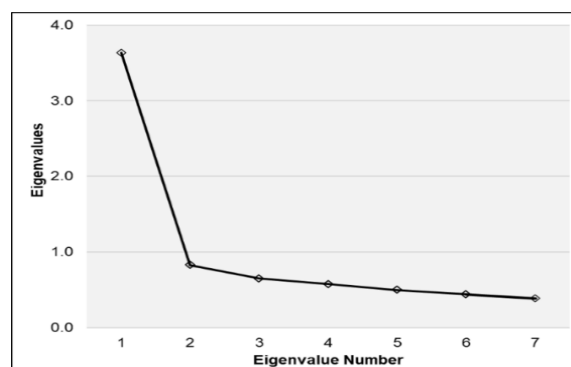


Figure 4.7. Scree Plot: Post-purchase / Consumption Experience (n = 858).

To achieve the most optimal factor model, the EFA loadings for the factor items were evaluated for significance. The minimum loading deemed significant was 0.300. After

several EFA iterations, the most optimal solution was found to be with items Post-purchase / Consumption Experience\_01 to Post-Purchase / Consumption Experience\_06, with no items omitted. Table 4.14. shows the final items loaded for Factor 1. All items met the minimum score of .300 to be deemed significant and account for 51.9 % of the total variance. The six items were therefore included in the 1-factor model.

*Table 4.14. EFA Loadings (1 Factor Model): Post-purchase / Consumption Experience (n = 858)*

Item	Factor 1
Post-purchase / Consumption Experience_04 My grocery store will look after me for a long time.	<b>.797</b>
Post-purchase / Consumption Experience _02 My grocery store knows exactly what I want.	<b>.766</b>
Post-purchase / Consumption Experience _01 I stay with my grocery store because they know me.	<b>.727</b>
Post-purchase / Consumption Experience _03 My grocery store keeps me up-to-date with relevant information.	<b>.723</b>
Post-purchase / Consumption Experience _07 Being a customer of my grocery store gives me social approval.	<b>.694</b>
Post-purchase / Consumption Experience _05 My grocery store dealt well with me when things went wrong.	<b>.673</b>
Post-purchase / Consumption Experience _06 I am happy with my grocery store as my service provider.	<b>.651</b>
Percentage of Total Variance Explained = 51.9%	

#### 4.5.4. EFA: Customer Experience

For Customer Experience, one factor delivered significant Eigenvalues (3.860) and Scree Plot, which explain 64.3 % of the variance.

*Table 4.15. EFA Eigenvalues: Customer Experience (n = 858).*

Factor	Eigenvalue	% Total Variance
<b>1</b>	<b>3.860</b>	<b>64.3</b>
2	0.598	10.0
3	0.543	9.1
4	0.389	6.5
5	0.318	5.3
6	0.292	4.9

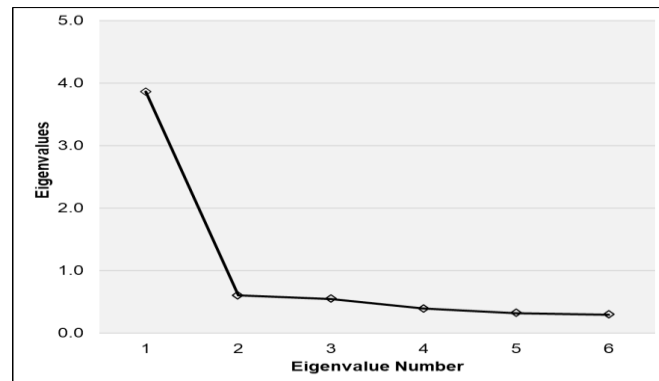


Figure 4.8. Scree Plot: Customer Experience ( $n = 858$ ).

To achieve the most optimal factor model, the EFA loadings for the factor items were evaluated for significance. The minimum loading deemed significant was 0.300. After several EFA iterations, the most optimal solution was found to be with items Customer Experience\_01 to Customer Experience\_06, with no items omitted. Table 4.16. shows the final items loaded for Factor 1. All items met the minimum score of .300 to be deemed significant and account for 64.3 % of the total variance. The six items were therefore included in the 1-factor model.

Table 4.16. EFA Loadings (1 Factor Model): Customer Experience ( $n = 858$ ).

Item	Factor 1
Customer Experience_04 I intend to shop at my grocery store for a long time.	<b>.847</b>
Customer Experience_02 My grocery store is the best.	<b>.846</b>
Customer Experience_03 My grocery store is a great brand.	<b>.807</b>
Customer Experience_01 My grocery store provides a great Customer Experience.	<b>.791</b>
Customer Experience_05 There are other grocery stores but I would rather stay with my current choice; it makes it much easier.	<b>.789</b>
Customer Experience_06 My grocery store looks after me.	<b>.726</b>
Percentage of Total Variance Explained = 64.3%	

## 4.6. RELIABILITY

### 4.6.1. Cronbach's Alpha Coefficient Results

Cronbach's alpha measures an index of Reliability (Shevlin, Miles, Davies & Walker, 2000 as quoted by Bollen, 1989 and Cortina, 1993). The interpretation intervals for Cronbach's alphas in Table 3.2. are based on guidelines from various sources because experts in the field are not in agreement.

Table 4.17. Cronbach's Alpha Coefficients for the factors (n = 858).

Factors	Coefficient Results	Interpretation
Brand Experience	0.98	Excellent
Service Experience	0.98	Excellent
Post-purchase / Consumption Experience	0.84	Excellent
Customer Experience	0.89	Excellent

All four factors meet the minimum criteria for excellent Reliability (0.80). The factors for Brand Experience, Service Experience, Post-purchase / Consumption Experience and Customer Experience all show excellent Reliability ( $\alpha = 0.98, 0.98, 0.84$  and  $0.89$  respectively). This indicates the respondent's positive behaviours towards the factors of Brand Experience, Service Experience, Post-purchase / Consumption Experience and Customer Experience and their general assessment of the grocery retail sector in South Africa.

#### 4.7. DESCRIPTIVE STATISTICS FOR THE FACTORS

This section presents the descriptive statistics of measurement items from the research instrument. Descriptive statistical analysis describes and summarises data by giving statistical measures like measures of central location or dispersion that capture as much as possible of the original information (MacRae, 2019).

The Mean values shown in the data are the average score on the 5-point Likert scale questionnaire statements, with an additional option for "I do not know". The SD is an indication of the extent of agreement between respondents (i.e. the SD from the mean).

##### 4.7.1. Measures for central tendency and Dispersion for the Factors

This study makes use of the mean and the median as measures of central tendency. The dispersion of each factor is indicated in Table 4.18. The scores are categorised into Negative (1.00 to 2.59), Neutral (2.60 to 3.40) and Positive (3.41 to 5.00).

Table 4.18. Central Tendency and Dispersion: Factors (n = 858).

	Mean	S.D.	Minimum	Quartile 1	Median	Quartile 3	Maximum
Brand Experience	3.84	0.84	1.00	3.25	3.88	4.50	5.00
Service Experience	3.37	0.85	1.00	2.83	3.58	4.00	4.50
Post-purchase / Consumption Experience	3.22	0.69	1.00	2.71	3.29	3.71	5.00
Customer Experience	3.72	0.70	1.00	3.33	3.83	4.17	5.00

The results indicate that:

- Responses to Brand Experience questions had the highest mean of  $\mu = 3.84$ , indicating respondents held positive responses towards the Brand Experience at their grocery retail store.
- Responses to Service Experience questions scored a neutral mean of  $\mu = 3.37$ , indicating that respondents held neutral responses towards Service Experience at their grocery retail store. Service Experience had the highest standard deviation score of  $\alpha = 0.85$  and these questions related to the respondents' service experience.
- Responses to Post-Purchase/Consumption Experience questions scored a neutral mean of  $\mu = 3.22$ , indicating that respondents held neutral responses towards Post-Purchase Experience at their grocery store.
- Responses to Customer Experience questions scored a positive mean of  $\mu = 3.72$ , indicating that respondents held positive responses towards Customer Experience at their grocery store.

#### 4.7.2. Frequency distribution for the Factors

Table 4.19. illustrates the results using a scale ranging from 'Very Negative' to 'Very Positive' responses. Scores for the factors were categorised in accordance with a 6-point Likert scale as explained in Chapter 3. Scores categorised into Negative (1.00 to 2.59), Neutral (2.60 to 3.40) and Positive (3.41 to 5.00).

Table 4.19. Frequency Distributions: Factors (n = 858).

	<b>Very Negative 1.00 to 1.79</b>		<b>Negative 1.80 to 2.59</b>		<b>Neutral 2.60 to 3.40</b>		<b>Positive 3.41 to 4.20</b>		<b>Very Positive 4.21 to 5.00</b>	
Brand Experience	18	2.1%	64	7.5%	165	19.2%	278	32%	333	38.8%
Service Experience	48	6%	88	10%	230	27%	329	38%	163	19%
Post-purchase / Consumption Experience	16	2%	163	19%	326	38%	293	34%	60	7%
Customer Experience	7	1%	35	4%	222	26%	414	48%	180	21%

The results illustrated in Table 4.19 above indicate that respondents indicated positive sentiments in relation to brand experience, service experience, post-purchase experience and Customer Experience in grocery retail sector. The factor Brand Experience had the highest overall positive responses (71%, n = 611) and the factor Customer Experience had the overall lowest negative responses (5%, n = 42).

Service Experience obtained positive responses (57%, n = 492) with Post-Purchase experience scoring no clear majority responses. Post-Purchase Experience recorded positive responses of (41%, n = 353), neutral responses (38%, n = 326) and recording the highest negative responses (21%, n = 179).

#### 4.8. ONE-SAMPLE T-TESTS AND INFERENTIAL RANKING – FACTORS

This section used inferential statistics to test the hypotheses for the factors.

##### 4.8.1. One-Sample T-Test for the Factors

One-Sample T-Tests were undertaken to determine whether there were differences in mean scores returned by the factors of Brand Experience, Service Experience, Post-Purchase / Consumption Experience and Customer Experience. The One-Sample T-Tests indicate the extent to which the mean scores for the factors are negative, neutral or positive.

To determine the significant effect from the sample, Cohen's d calculation was completed. Cohen's d values of greater than 0.2 but less than 0.5 reflect differences of small practical significance; values of greater than 0.5 but less than 0.8 reflect differences of moderate practical significance; and values of greater than 0.8 reflect a large practical significance (Gravetter & Wallnau, 2009).

A One-Sample T-Test on the factors of sample size  $n = 858$  was completed to determine the existence of statistical and practical significance. A p-value less than 0.5 indicates statistical significance while the Cohen's  $d$  value indicates practical significance.

Table 4.20. One-Sample T-Test Classification and Inferential Ranking.

Variable	Descriptive Statistics		One-Sample t-Test Classification				Inferential Ranking	
	n	Mean	d.f.	t-value	Cohen's $d$	Category	Rank	Signif. Group
	S.D.		$H_1$	p-value				
Brand Experience	858	3.84	857	-12.45	0.43	Positive	1	1
	0.84		$\mu \neq 4.20$	<.0005				
Customer Experience	858	3.72	857	13.44	0.46	Positive	1	1
	0.70		$\mu \neq 3.40$	<.0005				
Service Experience	858	3.37	857	-1.10	n/a	Inconclusive	3	2
	0.85		$\mu \neq 3.40$	.272				
Post-Purchase Experience	858	3.22	857	-7.67	0.26	Neutral	3	2
	0.69		$\mu \neq 3.40$	<.0005				

Table 4.20 indicates that respondents returned a significantly higher mean score for Brand Experience ( $\mu = 3.84$ ) and Customer Experience ( $\mu = 3.72$ ) respectively in comparison to a significantly lower mean score for Service Experience ( $\mu = 3.37$ ) and a Post-Purchase / Consumption Experience ( $\mu = 3.22$ ). This implies that respondents perceived that Brand Experience and Customer Experience had a more positive impact than Service Experience and Post-Purchase Experience.

Table 4.20 further highlights that Brand Experience ( $\mu = 4.20$ ;  $d = 0.43$ ;  $p < 0.0005$ ) and Customer Experience ( $\mu = 3.40$ ;  $d = 0.48$ ;  $p < 0.0005$ ) have a positive and practical significance. These factors are important to consider when formulating Customer Experience strategies. Service Experience and Post-purchase / Consumption Experience obtained an inconclusive and negative One-Sample T-Test Classification.

#### 4.9. RELATIONSHIP BETWEEN THE FACTORS: CORRELATIONS AND CHI<sup>2</sup> TESTS

This section presents the correlation between the Customer Experience factors and addresses the fifth research objective, which is **RO<sub>5</sub>**: *Determine which factors have a significant influence on Customer Experience in the grocery retail sector.*

#### 4.9.1. Correlation between the Factors

The sub-section presents the correlation between the dependent and independent factors. As such, correlations are statistically significant at the 0.05 level for  $n = 858$  if  $|r| \geq .067$  and practically significant, regardless of the sample size, if  $|r| \geq .300$ . Thus significant (both statistically and practically) if  $|r| \geq .300$  (Gravetter & Wallnau, 2009).

*Table 4.21. Pearson Product Moment Correlations between the Factors (n = 858).*

Grocery Stores		
Brand Experience	Service Experience	.981
Brand Experience	Post-Purchase / consumption Experience	.025
Brand Experience	Customer Experience	.003
Service Experience	Post-Purchase / consumption Experience	.012
Service Experience	Customer Experience	.003
Post-Purchase/ Consumption Experience	Customer Experience	.716

Table 4.21. illustrates the Pearson Product Moment Correlations between the Factors. These values relate to correlations when viewing the respondent's attitudes towards the Customer Experience factors. The values in red indicate statistical significance. A statistical and practical significant strong positive correlation exist between Brand Experience and Service Experience (0.981); Post-Purchase Experience and Customer Experience (0.716), which is above the statistical threshold of 0.067. The correlations identified indicate several implications and new opportunities for improving customer touchpoints. The positive correlation between the factors need to be considered in formulating Customer Experience strategies.

#### 4.9.2. Chi<sup>2</sup> ( $\chi^2$ ) Tests for the Relationships between the Factors

This sub-section reports on the results of the Chi<sup>2</sup> ( $\chi^2$ ) tests relating to independent factors and independent factors. Table 4.22. illustrates a statistically significant relationship ( $p < 0.0005$ ) between the factors and the practical significance of the relationship.



Table 4.22. Contingency Table between the Factors.

Contingency Table between Factors	Chi <sup>2</sup> Square ( $\chi^2$ )	p-Values	Cramer's V
Brand Experience and Service Experience	(d.f. = 4, n = 858) = 1356.91	p < .0005	V = 0.89 Large
Brand Experience and Post-Purchase / Consumption Experience	(d.f. = 4, n = 858) = 2.34	p = .674	N/A
Brand Experience and Customer Experience	(d.f. = 4, n = 858) = 2.11	p = .715	N/A
Service Experience and Post-Purchase / Consumption Experience	(d.f. = 4, n = 858) = 4.29	p = .368	N/A
Service Experience and Customer Experience	(d.f. = 4, n = 858) = 7.91	p = .095	N/A
Post-Purchase / Consumption Experience and Customer Experience	(d.f. = 4, n = 858) = 341.53	p < .0005	V = 0.45 Large

As illustrated in Table 4.22. two relationships were formed respectively between the factors, namely Brand Experience and Service Experience ( $\chi^2 = 1356.91$ ; p < .0005); Post-Purchase / Consumption Experience and Customer Experience (Chi<sup>2</sup> ( $\chi^2 = 341.53$ ; p < .0005). The Cramer's V value confirms the significant and positive relationship between Brand Experience and Service Experience (Cramer's V value = 0.89); and Post-Purchase / Consumption Experience and Customer Experience.

This should be greatly considered when planning Customer Experience strategies and touchpoints in the grocery retail sector. It can therefore, be concluded that there was no significant positive relationship between the other factors according to their measurement items.

#### 4.10. RELATIONSHIP BETWEEN THE DEMOGRAPHIC VARIABLES AND THE FACTORS

Inferential statistics were used to determine whether there were any significant relationships between the demographic variables and Customer Experience factors.

An analysis of variances was done to determine the mean variances of the different demographic groups, age, race, gender, household size, household income and highest level of education. The tables and figures in the following sub-section illustrate the most optimal solutions after omitting insignificant item loadings when analysing the relationships between demographic variables and the Customer Experience factors.

#### 4.10.1. ANOVA results for the Relationships between the Demographic Variables and the Factors

Table 4.23. illustrates the multivariate ANOVA analysis for Grocery stores. The results found Age to be statistically significant ( $p = 0.007$ ) and not practically significant. This indicates that there is a difference between the mean values of Age.

*Table 4.23. Multivariate ANOVA Statistics: Grocery Stores Factors.*

Effect	F-value	D.F.	p	Cohen's d
Gender	3.98	1; 839	.046	0.15
Age	4.04	3; 839	.007	n/a
Household monthly income	0.54	4; 839	.710	n/a
Highest qualification	1.77	4; 839	.133	n/a
Grocery store used most often	1.73	6; 839	.110	n/a

Table 4.24. illustrates shows the univariate ANOVA analysis for Brand Experience. It indicates that there is a significant difference between the mean scores of the Gender of the respondents and Brand Experience.

*Table 4.24. Univariate ANOVA Results: Brand Experience.*

Effect	Level 1	Level 2	M <sub>1</sub>	M <sub>2</sub>	p*	Cohen's d
Gender	Male	Female	3.76	3.89	.046	0.15
Age	18-29	30-39	3.84	3.74	.566	0.12
	18-29	40-49	3.84	4.01	.263	0.20
	18-29	50+	3.84	3.94	.836	0.12
	30-39	40-49	3.74	4.01	.006	0.32
	30-39	50+	3.74	3.94	.287	0.24
	40-49	50+	4.01	3.94	.951	0.08

\* Scheffé Test if 3+ Levels, else T-Test

Table 4.25. illustrates that there is significant difference in the mean score of age of respondents regarding Brand Experience. Males between the ages of 30 – 39 ( $u = 3.74$ ) and Females aged 40 – 49 ( $u = 4.01$ ) are more positive towards Brand Experience.

Table 4.25. Post-hoc Results: Brand Experience.

Effect	F-value	D.F.	p	Cohen's d
Gender	4.67	1; 839	.031	0.16
Age	4.81	3; 839	.002	n/a
Household monthly income	0.39	4; 839	.814	n/a
Highest qualification	1.41	4; 839	.227	n/a
Grocery store used most often	1.47	6; 839	.187	n/a

Respondents from the highlighted age groups would want a more stimulative experience in the grocery store. The grocery retailer can trigger the customer journey through the five senses that the customer experience. Examples, include colourful display of fresh produce in the front of the store, appropriate volume level for product announcements or eye-catching visual merchandising of products. Product prices, quality of products, store location, ease of access and product trained employees could influence the customer experience of this segment of respondents.

Table 4.26. illustrates the univariate ANOVA analysis for Service Experience. It indicates that there is a significant difference between the mean scores of the Gender of the respondents and Service Experience.

Table 4.26. Univariate ANOVA Results: Service Experience.

Effect	Level 1	Level 2	M <sub>1</sub>	M <sub>2</sub>	p*	Cohen's d
Gender	Male	Female	3.28	3.42	.031	0.16
Age	18-29	30-39	3.35	3.27	.744	0.09
	18-29	40-49	3.35	3.55	.118	0.24
	18-29	50+	3.35	3.50	.603	0.18
	30-39	40-49	3.27	3.55	.003	0.34
	30-39	50+	3.27	3.50	.186	0.27
	40-49	50+	3.55	3.50	.972	0.07

\* Scheffé Test if 3+ Levels, else T-Test

Similar to Brand Experience, males between the ages of 30 – 39 ( $u = 3.27$ ) and Females aged 40 – 49 ( $u = 3.55$ ) years are more positive towards Service Experience. This is an indication that both males, aged 30 – 39, and females aged 40 – 49, have a higher appreciation for service related experiences when going grocery shopping. Respondents in this segment could have a greater need for communication (both written and verbal) between the grocery store and its customers, availability of grocery store employees to assist customer in store and the flexibility of employees to deal with

customers. Task allocation and roles in households in general have become flexible as both genders are equally responsible for grocery shopping and running daily household tasks. Respondent from this segment of the market are also likely to shop online instead of going into the store.

Table 4.27. illustrates the univariate ANOVA analysis for Post-purchase / Consumption Experience.

*Table 4.27. Univariate ANOVA Results: Post-purchase / Consumption Experience.*

Effect	F-value	D.F.	p	Cohen's d
Gender	0.04	1; 839	.847	n/a
Age	1.09	3; 839	.351	n/a
Household monthly income	0.50	4; 839	.732	n/a
Highest qualification	5.08	4; 839	<.0005	n/a
Grocery store used most often	4.75	6; 839	<.0005	n/a

The results found both highest qualification and grocery store most often used to be both statistically significant ( $p < .0005$ ) and practically significant. This indicates that there is a difference between the mean values of highest qualification and grocery store most often used. Table 4.28. illustrates the Post-hoc Results.

*Table 4.28. Post-hoc Results - Post-purchase / Consumption Experience.*

Effect	Level 1	Level 2	M <sub>1</sub>	M <sub>2</sub>	Scheffé p	Cohen's d
Highest qualification	Matric or less	Certificate	3.39	3.26	.792	0.20
	Matric or less	Diploma	3.39	3.29	.812	0.15
	Matric or less	Degree	3.39	3.22	.315	0.26
	Matric or less	Post-Graduate degree	3.39	3.07	.002	0.45
	Certificate	Diploma	3.26	3.29	.998	0.05
	Certificate	Degree	3.26	3.22	.998	0.05
	Certificate	Post-Graduate degree	3.26	3.07	.386	0.26
	Diploma	Degree	3.29	3.22	.900	0.10
	Diploma	Post-Graduate degree	3.29	3.07	.021	0.32
	Degree	Post-Graduate degree	3.22	3.07	.170	0.22

Grocery store used most often	Checkers	Makro	3.15	3.47	.518	0.49
	Checkers	Pick n Pay	3.15	3.18	.999	0.06
	Checkers	Shoprite	3.15	3.07	.996	0.10
	Checkers	Spar	3.15	3.26	.808	0.17
	Checkers	Woolworths	3.15	3.47	.035	0.48
	Checkers	Other	3.15	3.13	1.000	0.02
	Makro	Pick n Pay	3.47	3.18	.649	0.45
	Makro	Shoprite	3.47	3.07	.361	0.52
	Makro	Spar	3.47	3.26	.906	0.30
	Makro	Woolworths	3.47	3.47	1.000	0.01
	Makro	Other	3.47	3.13	.863	0.47
	Pick n Pay	Shoprite	3.18	3.07	.958	0.16
	Pick n Pay	Spar	3.18	3.26	.954	0.12
	Pick n Pay	Woolworths	3.18	3.47	.081	0.44
	Pick n Pay	Other	3.18	3.13	1.000	0.07
	Shoprite	Spar	3.07	3.26	.627	0.26
	Shoprite	Woolworths	3.07	3.47	.033	0.54
	Shoprite	Other	3.07	3.13	1.000	0.08
	Spar	Woolworths	3.26	3.47	.487	0.29
	Spar	Other	3.26	3.13	.997	0.18
	Woolworths	Other	3.47	3.13	.750	0.49

The post-hoc results confirm the differentiation for Highest qualification between Matric or less ( $M1 = 3.39$ ) and Post-Graduate Degree ( $M2 = 3.07$ ), and between Diploma ( $M1 = 3.29$ ) and Post-Graduate Degree ( $M2 = 3.07$ ). Furthermore, it shows the differentiation of Grocery store used most often between Checkers ( $M1 = 3.39$ ) and Woolworths ( $M2 = 3.47$ ); and between Shoprite ( $M1 = 3.07$ ) and Woolworths ( $M2 = 3.47$ ).

Customers with higher qualifications tend to have a higher income profession. This affords customers within this segment the convenience to shop at a higher-end grocery retailer like Woolworths. Woolworths is located in predominantly suburban areas of South Africa. This may influence respondents' choice of store over Shoprite or Checkers in this study. Checkers have made dramatic improvements to branding, packaging, in-store presence to offer customers an improved experience at a lower price.

The Shoprite brand is synonymous to cater for customers and families in the lower income segment. Woolworths have a dedicated customer desk to deal with Post-

purchase / consumption enquiries as opposed to Checkers and Shoprite. Table 4.29. Illustrates the univariate ANOVA analysis for Customer Experience.

*Table 4.29. Univariate ANOVA Results - Customer Experience.*

Effect	F-value	D.F.	p	Cohen's d
Gender	0.01	1; 839	.943	n/a
Age	0.14	3; 839	.934	n/a
Household monthly income	0.74	4; 839	.562	n/a
Highest qualification	3.16	4; 839	.014	n/a
Grocery store used most often	11.80	6; 839	<.0005	n/a

The results found Highest qualification ( $p = .014$ ) and Grocery store most often use ( $p < .0005$ ) to be both statistically significant and practically significant. This indicates that there is a difference between the mean values of the grocery store most used by respondents. Table 4.30. Illustrates the Post-hoc Results.

*Table 4.30. Post-hoc Results - Customer Experience.*

Effect	Level 1	Level 2	M <sub>1</sub>	M <sub>2</sub>	Scheffé p	Cohen's d
Highest qualification	Matric or less	Certificate	3.83	3.64	.548	0.27
	Matric or less	Diploma	3.83	3.74	.896	0.12
	Matric or less	Degree	3.83	3.76	.957	0.09
	Matric or less	Post-Graduate degree	3.83	3.64	.194	0.27
	Certificate	Diploma	3.64	3.74	.902	0.14
	Certificate	Degree	3.64	3.76	.796	0.17
	Certificate	Post-Graduate degree	3.64	3.64	1.000	0.01
	Diploma	Degree	3.74	3.76	.998	0.03
	Diploma	Post-Graduate degree	3.74	3.64	.614	0.15
	Degree	Post-Graduate degree	3.76	3.64	.349	0.18
Grocery store used most often	Checkers	Makro	3.69	3.87	.951	0.27
	Checkers	Pick n Pay	3.69	3.67	1.000	0.02
	Checkers	Shoprite	3.69	3.37	.050	0.46
	Checkers	Spar	3.69	3.73	.998	0.06
	Checkers	Woolworths	3.69	4.21	.000	0.85
	Checkers	Other	3.69	3.70	1.000	0.01
	Makro	Pick n Pay	3.87	3.67	.926	0.31
	Makro	Shoprite	3.87	3.37	.108	0.64
	Makro	Spar	3.87	3.73	.988	0.19

Makro	Woolworths	3.87	4.21	.536	0.59
Makro	Other	3.87	3.70	.995	0.22
Pick n Pay	Shoprite	3.67	3.37	.060	0.45
Pick n Pay	Spar	3.67	3.73	.991	0.09
Pick n Pay	Woolworths	3.67	4.21	.000	0.89
Pick n Pay	Other	3.67	3.70	1.000	0.04
Shoprite	Spar	3.37	3.73	.013	0.49
Shoprite	Woolworths	3.37	4.21	.000	1.26
Shoprite	Other	3.37	3.70	.767	0.41
Spar	Woolworths	3.73	4.21	.000	0.71
Spar	Other	3.73	3.70	1.000	0.05
Woolworths	Other	4.21	3.70	.216	0.87

The post-hoc results confirm the differentiation for Grocery store used most often:

- Checkers ( $M_1 = 3.69$ ) and Shoprite ( $M_2 = 3.37$ );
- Checkers ( $M_1 = 3.69$ ) and Woolworths ( $M_2 = 4.21$ ).
- Pick n Pay ( $M_1 = 3.67$ ) and Woolworths ( $M_2 = 4.21$ );
- Shoprite ( $M_1 = 3.37$ ) and Spar ( $M_2 = 3.73$ );
- Shoprite ( $M_1 = 3.37$ ) and Woolworths ( $M_2 = 4.21$ ); and
- Spar ( $M_1 = 3.73$ ) and Woolworths ( $M_2 = 4.21$ ).

This indicate a difference in Customer Experience that respondents experience in the various grocery stores used. For Customer Experience, female respondents indicated a greater degree of satisfaction with Woolworths, followed by Spar and Shoprite. Male respondents indicated a positive degree of satisfaction for Spar and Checkers in overall Customer Experience.

- Checkers versus Shoprite - Checkers is a brand within the Shoprite Group and offers customers a more convenient and “high-end” in-store experience than the sister brand, Shoprite. Checkers has repositioned the brand to cater for the upper-income customers. The assumption is that the product price points between the two brands is relatively the same;
- Checkers versus Woolworths – The Woolworths brand is perceived to be an upmarket grocery retailer, with high quality products, exceptional customer service and the most expensive grocery brand. Checkers has repositioned itself to cater for the same market at a lower price;

- Pick n Pay versus Woolworths – Pick n Pay is one of the oldest and biggest grocery retailers in South Africa and perceived to offer value for money, in comparison to Woolworths who commonly known as a expensive brand; and
- Shoprite versus Spar – Spar is viewed a the community grocer that caters to both all income groups, where as Shoprite predominantly attract shoppers from the lower income groups.

#### 4.11. HYPOTHESIS

Section 3.10 of Chapter 3 hypothesised that the independent factors; Brand Exeperience, Service Experience, Post-Purchase / Consumption Experience had a significant positive influence on Customer Experience. However, after various statistical tests the factors of Customer Experience were split and in the end the proposed hypotheses changed to reflect the new hypotheses. Table 4.31. illustrates the proposed hypotheses based on the factors produced by the Exploratory Factor Analysis.

*Table 4.31. Accepted and Rejected Hypotheses.*

Hypotheses	Accepted / Rejected
<b>HA1:</b> Brand Experience has a significant and positive influence on Customer Experience.	Rejected
<b>HA2:</b> Service Experience has a significant and positive influence on Customer Experience.	Rejected
<b>HA3:</b> Post-purchase / Consumption Experience has a significant and positive influence on Customer Experience.	Accepted

##### 4.11.1. The Revised Hypothesis Model

Section 4.9. in Chapter 4 highlighted a new relationship between factors of Brand Experience and Service Experience, which has a significant and positive influence on each other. This is depicted in the revised hypotheses model as illustrated in the following figure.



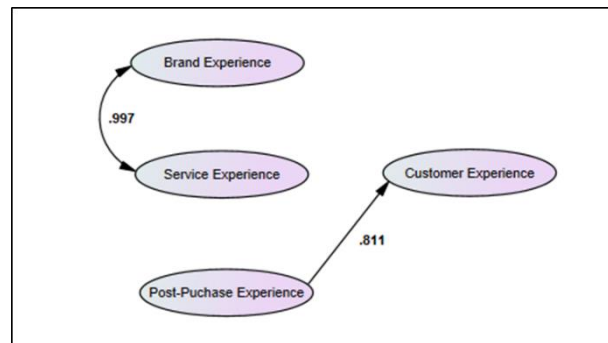


Figure 4.9. Customer Experience Model for Grocery Stores.

Brand Experience has a practical and statistical significant strong positive correlation to Service Experience (0.981) as illustrated in Table 4.21. Post-purchase / Consumption Experience has a practical and statistical significant strong positive correlation to Customer Experience. Factors with a practical and statistical significant positive correlation imply that a change in one factor will result in similar or equal change in another factor. It is important that the grocery retail sector focus on Post-purchase / Consumption Experience to influence and strategically impact Customer Experience. Brand Experience will have a strong and significant impact on Service Experience in the grocery retail sector.

#### 4.12. CONCLUSION

Chapter 4 addressed research question 5 (**RQ<sub>5</sub>**) which states - *What are the relationships between the independent and dependant variables of Customer Experience in the grocery retail sector in South Africa?* With corresponding research objective (**RO<sub>5</sub>**): *Determine which factors have a significant influence on Customer Experience in the grocery retail sector.* To achieve this, the results of the primary research study were analysed and then discussed. Eight hundred and eighty five respondents participated in the study of Customer Experience in grocery retail and banking sector in South Africa.

Exploratory Factor Analysis, descriptive statistics and various inferential statistics were conducted and the Reliability of the factors was deemed acceptable with all of the Cronbach's Alpha scores measuring above 0.80 (deemed Excellent). Statistical relationships between the factors were explored through Pearson's correlation and Chi<sup>2</sup> tests analysis. Furthermore, relationships between selected demographic information and the variables were explored through ANOVA and One-Sample T-Tests Analysis.

Some of the key research findings in this study suggest that majority of the respondents are between the ages of 30 – 39 years old, hold a qualification of some sort and earn between R 10 000 and R 60 000 per month. Pick n Pay was listed as the grocery store used most often, with Checkers in second place. Respondents with a post matric qualification had a positive relationship in terms of Post-purchase / Consumption Experience towards Woolworths, followed by Checkers and Shoprite.

Males between the ages of 30 – 39 ( $u = 3.74$ ) and Females aged 40 – 49 ( $u = 4.01$ ) years are more positive towards Brand Experience and Service Experience. The results found both highest qualification and grocery store most often used to be positive towards Post-purchase Experience.

The results showed that Brand Experience and Services Experience indicated statistical and practical significant positive correlation, as well as Post-purchase Experience and Customer Experience, with other factors reporting ( $|r| \geq .300$ ). Brand Experience, Service Experience, Post-purchase / Consumption Experience and Customer Experience each delivered a one factor significant Eigenvalues and Scree Plot. All four factors recorded an excellent Cronbach's alpha coefficient result, according to the various sources consulted.

The majority of respondents indicated a positive response to customer experience within their grocery retail store, which shows a level of satisfaction with their grocer. Also of interest is that 84% of respondents found it easy to deal with their grocery retail store. However, only 40% of respondents indicated that their grocery store looks after them, and 51% of respondents indicated negatively towards staying with their grocery store because no personal relationship exist. Female respondents aged 40 – 49 years old had a more positive customer experience with Woolworths, in comparison to male respondents aged 30 -39, who indicated a more positive experience with Spar.

Chapter 4 presented a final conceptual model illustrated in Figure 4.9. The model considered the factors with EFA loadings greater than .300, as well as factors with an acceptable reliability. The revised and final model concludes Post-purchase / Consumption Experience has a practical and statistical positive correlation with Customer Experience. Brand Experience has a practical and statistical positive correlation with Service Experience.

Chapter 5 will conclude the study and research question (**RQ<sub>6</sub>**), which states: *What recommendations can be suggested to improve Customer Experience in the grocery retail sector in South Africa?* With corresponding research objective (**RO<sub>6</sub>**): *To formulate managerial recommendations to improve customer experience in the grocery retail sector in South Africa* will be addressed.

## **5. CHAPTER 5: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. INTRODUCTION**

CX refers the internal and subjective response customers have with a company or product. Google Trends identified that the keywords “Customer Experience” are searched more by online users (Maestri & Sassoon, 2017) and that Marketing managers have shown a growing interest in CX (Kuppelwieser & Klaus, 2020). This led to the research problem and exploration of CX in the grocery retail sector in South Africa using Professor Phillip Klaus’s new scale.

Chapter 2 consulted various academic literature to give a general review on CX in the grocery retail sector. BE, SE and PE were identified as factors from literature to influence CX. A conceptual model was proposed that concluded the chapter.

Chapter 3 explored the research design and methodology to complete this study. The chapter research strategy used a positivistic philosophy, deductive reasoning approach, mono-method research methodology, survey-data collection method and a cross-sectional time horizon.

The previous chapter presented the empirical results of this study on CX in the grocery retail sector. It addressed **RQ<sub>5</sub>**: *What are the relationships between the independent and dependant variables of Customer Experience in the grocery retail sector in South Africa*, with corresponding research objective **RO<sub>5</sub>**: *Determine which factors have a significant influence on Customer Experience in the grocery retail sector*. Chapter 4 ended with a new conceptual model on CX in the grocery retail sector, which highlighted a practical and statistical positive correlation between BE and SE as well as practical and statistical positive correlation between PE and CX.

Chapter 5 is the last chapter of the study and concludes by discussing the findings, conclusion and managerial recommendations to this study based upon the knowledge synthesised within the preceding chapters. Later in this chapter, the limitations of the study will be outlined and propositions for possible future research presented. This Chapter addresses **RQ<sub>6</sub>**: *What recommendations can be suggested to improve Customer Experience in the grocery retail sector in South Africa*, which addresses **RO<sub>5</sub>**: *To formulate managerial recommendations to improve Customer Experience in the grocery retail sector in South Africa*.

The chapter also further addressed **RO<sub>M</sub>**: *Explore Customer Experience in the grocery retail sector in South Africa to put customer needs at the centre of their business*, which corresponds with **RQ<sub>M</sub>**: *How can the grocery retail sector put customer needs at the centre of their business, which results in a good Customer Experience?* Figure 5.1. illustrate the framework for Chapter 5 of this study.

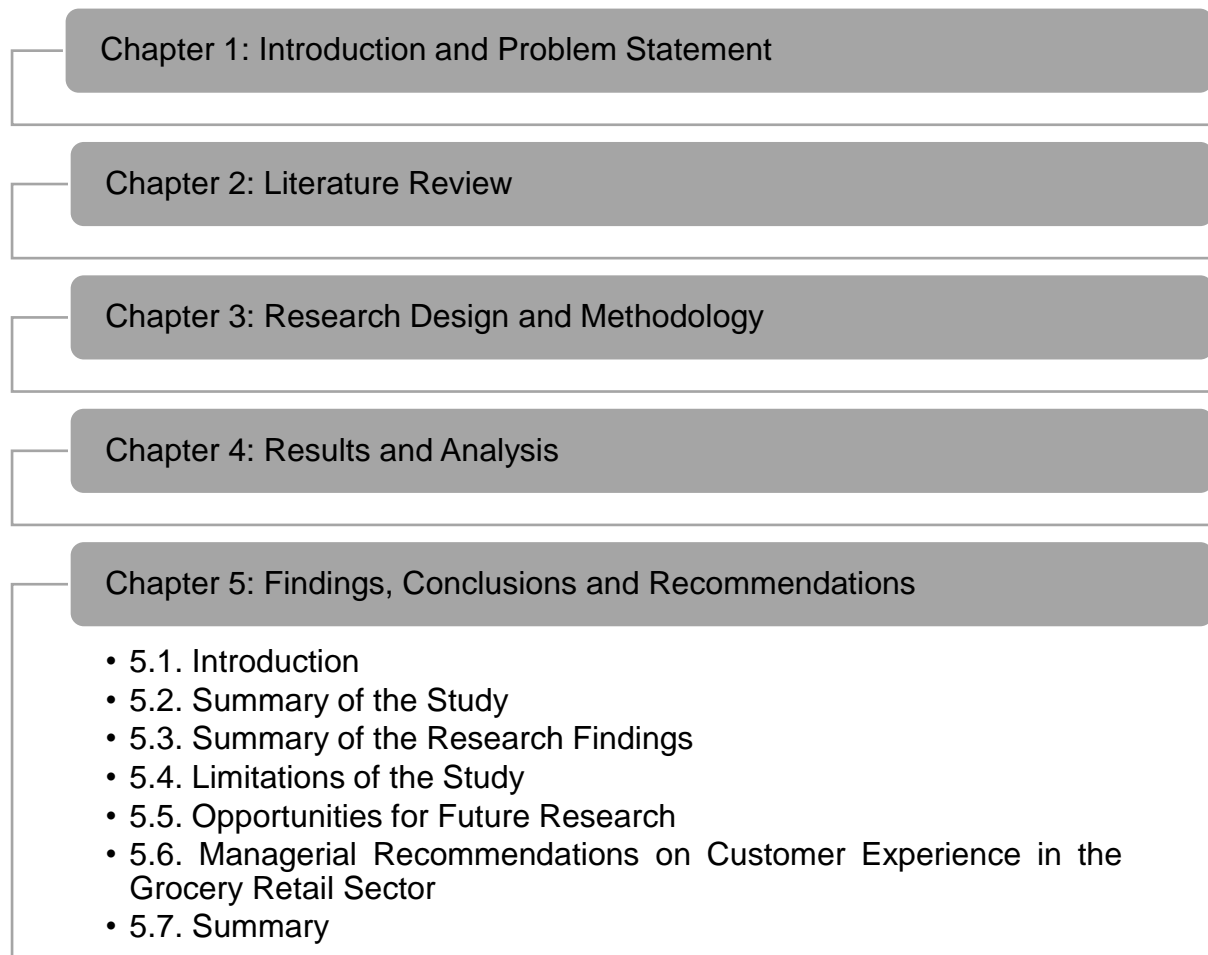


Figure 5.1. The framework for Chapter 5 (Source: Author's own construct).

## 5.2. SUMMARY OF THE STUDY

### 5.2.1. Chapter 1: Introduction and Problem Statement

Chapter 1 introduced this study and provided a roadmap, revealing the research purpose, significance of the study and the research delimitations. The chapter discussed the problem statement: *Customer Experience in the grocery retail sector in South Africa has not been measured using Professor Klaus's new scale* (Kuppelwieser & Klaus, 2020). The chapter then provided the RAP for the study, which guided the researcher through the research process. The chapter briefly highlighted the academic theory for this study, indicated the research significance, research methodology and

the ethical clearance as required by NMU's Research Ethics Committee to conduct this study. The chapter concluded with the research structure for this study.

### 5.2.2. Chapter 2: Literature Review

Chapter 2 addressed the first following research objectives (**RO<sub>1</sub>**, **RO<sub>2</sub>** and **RO<sub>3</sub>**) and corresponding research questions, namely **RQ<sub>1</sub>**, **RQ<sub>2</sub>** and **RQ<sub>3</sub>**. **RQ<sub>1</sub>**, states: *What is the definition of Customer Experience?* With its corresponding research objective (**RO<sub>1</sub>**): *Review definitions and theories of Customer Experience*. **RQ<sub>2</sub>**, states: *What defines the grocery retail sector?* With its corresponding research objective (**RO<sub>2</sub>**): *Review the grocery retail sector literature*. Finally, **RQ<sub>3</sub>**, which states: *What are the factors that influence Customer Experience?* With corresponding research objective (**RO<sub>3</sub>**): *Determine the factors that influence Customer Experience*. The chapter explored a selection of academic resources to address the secondary research questions and corresponding research objectives in this Chapter.

Chapter 2 defined CX is the interaction between an organisation and a customer, which takes place over time (Maklan & Klaus, 2011). CX is complex, multi-layered and made up of the customer's cognitive, emotional, affective, social and physical responses (Verhoef et al., 2009, De Keyser et al., 2015; Yakhlef, 2015, Bustamante & Rubio, 2017; Havíř, 2019). The focus on CX and creating exceptional customer journeys has become a strategic objective for companies around the world (Verhoef et al., 2009). Grocery retail stores are the primary destination for food purchases and continue to dominate retail food sales (Glanz, Bader & Iyer, 2012). The global industry is worth 5.7 trillion US dollars and has grown year-on-year by 4.5 % per annum over the last decade, despite many challenges. (Kuijpers, Simmons & van Wamelen, 2018).

The theories of Experienced Utility (Kahneman et al., 1997) and S-D logic (Vargo & Lusch, 2004) form the theoretical base for this study. BE, SE and PE were identified as independent factors of CX. The researcher proposed that these factors have a significant positive relationship with CX. A conceptual model was developed, which concluded the chapter.

### 5.2.3. Chapter 3: Research Design and Methodology

In Chapter 3, the research approaches and philosophies were discussed. In addition to this, the Chapter identified and discussed the research methodology for this study. Figure 5.2. highlight the research design and methodology, namely a positivistic

philosophy, with a deductive research approach, using a mixed-method research method. The researcher made use of a survey and the research conducted is across a time horizon that is cross-sectional in nature.

Chapter 3 addressed the fourth research question and research objective. It states **RQ4**: *What research design will be used in this study*, which corresponds with **RO4**: *Establish the most appropriate research design and methodology and explain with sufficient detail for future studies*. Various statistical data analysis techniques and ranges were discussed to analyse the data Chapter 4.



Figure 5.2. Research methodology used in this study.

#### 5.2.4. Chapter 4: Results and Analysis

Chapter 4 presented and discussed the collected results, such as EFA, descriptive statistics and various inferential statistics. In addition, various relationships between the factors and demographic information were explored, including Pearson's correlation analysis between the factors. The Chapter addressed **RQ5**, which states - *What are the relationships between the independent and dependant variables of Customer Experience in the grocery retail sector in South Africa?* With corresponding research objective (**RO5**): *Determine which factors have a significant influence on Customer Experience in the grocery retail sector*.

The results showed that Brand Experience and Services Experience indicated statistical and practical significant positive correlation, as well as Post-Purchase Experience and Customer Experience, with other factors reporting ( $|r| \geq .300$ ). All factors delivered a one factor significant Eigenvalues and Scree Plot.

The majority of respondents indicated a positive response to customer experience within their grocery retail store, which shows a level of satisfaction with their grocer. Also of interest is that 84% of respondents found it easy to deal with their grocery retail store. Of concern is that 40% of respondents indicated that their grocery store looks

after them, and 51% of respondents indicated negatively towards staying with their grocery store, because no personal relationship exist. This indicated areas of focus when formulating managerial recommendations.

#### 5.2.5. Chapter 5: Findings, Conclusions and Recommendations

Chapter 5 aims to provide a short overview of the study by presenting important findings in the literature and the results of this study. In addition, it addressed gaps that exist between the literature and the results.

The chapter aims to provide recommendations to management in the grocery retail sector review the implications of the study and will highlights limitations identified in the research. In addition, Chapter 5 makes a call for future studies and lastly makes certain conclusions based on the research findings for this study.

### 5.3. SUMMARY OF THE FINDINGS

The sub-sections aim to summarise key findings from the study. It discusses the conceptual model for CX in grocery retail stores in South Africa. The findings are presented factor by factor.

#### 5.3.1. Brand Experience

The literature review found that Brand Experience influences a customer's overall assessment of the product or service (Nayeem et al., 2019). Klaus (2020) emphasises that the brand perception held by customer has a direct correlation with their interactions and the experiences. A unique Brand Experience leads to brand loyalty, which in turn gives organisations a competitive advantage that leads to increase in profit and business sustainability (Ong et al., 2018). A customer's positive or negative Brand Experience influences their pre-purchase decision (Kuppelwieser & Klaus, 2020) and influences a customer's repeat purchases over time with the brand.

The mean scores of  $\mu = 4.20$  for Brand Experience, signify the responses by respondents in this study as positive. In relation to Brand Experience, 82 % (n = 703) of respondents indicated that they are confident in their grocery store's expertise. The customer confidence ties in with literature, which points out that Brand Experience, influence the customer's assessment. Ninety percent (n = 775) of respondents indicated that their grocery store offers a variety of products to suit their needs and 87 % (n = 747) indicated that their grocery store has a good reputation.



The survey results for Brand Experience were subjected to an Exploratory Factor Analysis in order to gain a better understanding of it. Eight items were analysed with the criterion that Eigenvalues above 1 help to explain the correlation amongst the independent factor of Brand Experience in the grocery retail sector. Table 5.1. presents the eight items composing Brand Experience. The EFA explains 87.0% of the variance in Brand Experience.

*Table 5.1. EFA Results (1 Factor Model) – Brand Experience (n = 858).*

Item	Factor 1
Brand Experience_04 I choose my grocery store because of their product prices.	<b>.950</b>
Brand Experience _06 My grocery store's offerings have the best quality.	<b>.941</b>
Brand Experience _05 The people who work at my grocery store represent their brand well.	<b>.939</b>
Brand Experience _02 I am confident in my grocery store's expertise.	<b>.935</b>
Brand Experience _07 My grocery store's product offerings are superior.	<b>.928</b>
Brand Experience _01 The grocery store I shop at has a good reputation.	<b>.926</b>
Brand Experience _08 My grocery store offers a variety of products that suit my needs.	<b>.922</b>
Brand Experience _03 My grocery store gives independent advice on which product / service will best suit my needs.	<b>.919</b>
Percentage of Total Variance Explained = 87.0%	

Brand Experience presented an excellent Cronbach alpha coefficient of 0.98 for reliability. Brand Experience is positively correlated with a p-value, less than 0.5. As a result, **HA<sub>1</sub>** is rejected. This effectively confirms that Brand Experience does not have a significant and positive influence on Customer Experience, in this study. Similar to the study conducted by Kuppelwieser and Klaus (2020), respondents in this study highlighted their choice of grocery store is dependent on the product prices (Brand Experience\_04) and the “experience-delivering” touchpoints with staff (Brand Experience \_05). This was deemed significant according to the EFA loading for the items loaded.

### 5.3.2. Service Experience

The literature presented that service experience refers to the customer's cognitive, emotional and behavioural responses (Parish, Berry & Lam, 2008), which is triggered when customers interact with the providers' staff, its policies and practices

(Kuppelwieser & Klaus, 2020). A customer's total assessment of the service experience is based on clues that influence the Customer Experience (Berry, Wall & Carbone, 2006) and affect if they choose to use the service provider in future.

Everything in the customer journey affects the customer perception. An unpleasant employee at the beginning of the Customer Experience can ruin the total customer's experience, even if the end-service was good. The service quality level of the experience is equally important as it influences the customer's perceptions of service experience quality (Berry, Wall & Carbone, 2006).

Service Experience, as an independent factor, presented a mean scores of  $\mu = 3.37$ . Eighty-four percent ( $n = 723$ ) of respondents had a positive sentiment toward ease of dealing with the grocery store and 62 % percent of respondents indicated positively to the fact that people at their grocery store have good people skills.

Unfortunately, 42% ( $n = 363$ ) of respondents indicated that they have not built a personal relationship with the employees at their grocery store, whilst 40% ( $n = 340$ ) of respondents indicated that they do not always deal with the same people at their grocery store. Forty-two percent ( $n = 357$ ) of respondents indicate the lack of advice from the grocery store during their shopping experience.

Twelve items under Service Experience were subjected to EFA analysis, with the criterion that Eigenvalues above 1 help to explain the correlation amongst the independent factor of Service Experience in the Grocery Retail Sector. The EFA presented 80.2% of the variance in Service Experience.

Service Experience presented an excellent Cronbach alpha coefficient of 0.98 for reliability, a p-value of .272 and t-value of -1.10. The One-Sample T-Test classification for Service Experience was found to be inconclusive as a factor. HA2 is therefore rejected. This confirms that Service Experience does not have a significant influence on Customer Experience, in this study.

A study by Parish, Berry and Lam (2008) highlighted the intensity of the intellectual service role (knowledge and skill intensive) and physical demands of the service role to meet customer needs. This was evident in this study that the EFA loading deemed significant (.923) for Service Experience\_01.

### 5.3.3. Post-Purchase / Consumption Experience

The literature presented that a customer's post-purchase evaluation is largely influenced by the customer expectation prior to the service encounter (Verhoef et al., 2009). Lemon and Verhoef (2016) highlight that the product itself / service related request is a critical touch point and a trigger can influence customer loyalty through repurchase or further engagement from the customer. A customer is unlikely to switch service providers when a positive Customer Experience occurs (Colgate & Hedge, 2001 as quoted in Klaus et al., 2013). A positive post-purchase / consumption interaction, will influence a customer's commitment to the service provider and lead to future business-to-customer and business-to-business transactions (Kuppelwieser & Klaus, 2020).

Post-Purchase / Consumption Experience as an independent factor presented a mean scores of  $\mu = 3.40$ . Seventy-five percent ( $n = 641$ ) of respondents indicated a positive sentiment toward being happy with their grocery store as their service provider. Unfortunately, 51% ( $n = 441$ ) responded negatively towards staying with their grocery store because of familiarity at the store. Fifty-four percent ( $n = 466$ ) of respondents indicated that the grocery store keeps customers up-to-date with relevant information, whilst 36% ( $n = 310$ ) indicated a neutral sentiment for the grocery store knowing what they want.

Seven items under Post-Purchase / Consumption Experience were subjected to EFA analysis, with the criterion that Eigenvalues above 1 help to explain the correlation amongst the independent factor of Post-Purchase / Consumption Experience in the Grocery Retail Sector. The EFA presented 51.9% of the variance in Service Experience. Post-Purchase / Consumption Experience presented an excellent Cronbach alpha coefficient of 0.84 for reliability, a p-value of smaller than 0.05 and t-value of -7.67. The One-Sample T-Test classification for Post-Purchase / Consumption Experience was found to be neutral as a factor. **HA<sub>3</sub>** is accepted. This confirms that Post-Purchase / Consumption Experience has a significant influence on Customer Experience.

Kuppelwieser and Klaus (2020) highlighted the perception of service recovery and product familiarity in their study. The items in this study account for 51.9 % of the total variance and deemed all significant.

#### 5.3.4. Customer Experience

The literature defined Customer Experience as the measurement of interaction between service provider and a customer over a long period of time (Maklan & Klaus, 2011). Customer Experience is viewed as complex and multi-layered (Bustamante & Rubio, 2017; Havíř, 2019). Customer Experience is staged by elements that the service provider can control (McColl–Kennedy et al., 2015) and is triggered through an emotional experience, sensory experience and social experience (Amenuvor et al., 2019).

Emotions and feelings of joy or disappointment during the customer journey will influence the perception of the Customer Experience. According to Kuppelwieser and Klaus (2020), a customer's assessment and perception is based on the total experience and not on the different stages of the Customer Experience.

Customer Experience as the dependent factor presented a mean scores of  $\mu = 3.40$ . The majority of respondents (81%,  $n = 692$ ) had a positive attitude towards their grocery store being a great brand and 77 % ( $n = 661$ ) indicated that they intend to shop at their grocery store for a long time. Sixty-nine percent ( $n = 589$ ) indicated that their grocery store provides a great Customer Experience, while 68% indicated that they would rather stay with their current grocery store even though there are other stores. Forty percent ( $n = 347$ ) of respondents indicated positively that their grocery store looks after them as customers.

Six items under Customer Experience were subjected to EFA analysis, with the criterion that Eigenvalues above 1 help to explain the correlation amongst the dependent factor of Customer Experience in the Grocery Retail Sector. The EFA presented 64.3% of the variance in Customer Experience.

Customer Experience presented an excellent Cronbach alpha coefficient of 0.89 for reliability, a p-value of smaller than 0.05 and t-value of 13.44. The One-Sample T-Test classification for Customer Experience was positive as a factor.

The results of this study ties up with the academic literature and theory of experienced utility, which is dependent on the sum of the total experience, positive or negative. The results for this study showed that Post-purchase / Consumption Experience has a positive and significant impact on Customer Experience. Decision utility influences by experiences and the probability for future experiences. The decision for a customer to

return to a grocery store has a direct influence on how / he is treated when something goes wrong. The quality of the experience is based on perceived value.

#### **5.4. LIMITATIONS OF THE STUDY**

The following section highlights the limitations of this study.

- The research study focused only on Customer Experience in the Grocery Retail sector. A duplicate study in a different framework may have different results. This study can therefore only be used as reference point in another context;
- A sample of 858 is relatively small considering the South African grocery retailers in the country;
- The majority of respondents (87%, n = 749) had a post-matric qualification, and 86% of respondents earned more than R 10 000 per month. According to Statistics South Africa in 2016, only 12% of the South African population had a post-matric qualification (Staff Writer, 2017). According to Statistics South Africa's, the unemployment rate in the country is 23.3% in the second quarter of 2020. A duplicate study in a different framework may have different results.
- The study on Customer Experience in the grocery retail sector formed part of a bigger study on Customer Experience, which may have resulted in certain biases by respondents and potential lack of focus towards the Grocery Retail sector; and
- Many people in South Africa do not have Internet access and are therefore, excluded from participation in an electronically based study such as this in, which the questionnaire was distributed via email.

#### **5.5. OPPORTUNITIES FOR FUTURE RESEARCH**

This study explored CX in the Grocery Retail sector in South Africa. The independent factors provided understanding on the known reasons and how they affects CX in general. Future research on CX in the Grocery Retail sector may explore the following opportunities:

- Researchers may repeat this study on CX in the Grocery retail sector in future to determine if BE as an independent factor is still relevant to the customer journey;
- Future research should determine how CX have changed in the Grocery Retail sector; and

- Researchers may use this study to determine if BE is a factor of CX in other sectors of South Africa.

## **5.6. MANAGERIAL RECOMMENDATIONS ON CUSTOMER EXPERIENCE IN THE GROCERY RETAIL SECTOR**

The managerial recommendations aim to bridge the gap between the literature and the results of the statistical analysis. The recommendations are intended to improve CX for companies within the grocery retail sector in South Africa. The study's objective was to explore CX in the grocery retail sector in South Africa. Accordingly, the following recommendations are suggested for implementation.

### **5.6.1. Recommendation: Brand Experience and Service Experience**

The proposed conceptual model illustrated in Figure 2.8. suggested that Brand Experience and Service Experience should be considered as independent factors of CX. Both factors are important for decision-making and strategy formulation. The results of this study indicated that none of the two independent factors have a significant positive influence on Customer Experience.

Respondents value both Brand Experience as Service Experience but as Klaus (2020, p.7) suggest, "they often raise (high and false) expectations". The results for Brand Experience indicated that the grocery retail sector should focus on understanding individual customer needs and advice. The following recommendations based on responses from this study and suggested to improve Brand Experience and Service Experience in the grocery retail sector:

### **Recommendation 1: Appoint a professional to manage all social media content.**

- A professional social media manager or co-ordinator will build an effective online presence, support management to attend to all online customer enquiries and ultimately grow the brand;
- A social media manager or co-ordinator will ensure consistency across all communication channels and social media platforms;
- Add links to the organisation's social media profiles and website.

**Recommendation 2: Employees should ask and address customers by their first name.**

This will forge a connection with customers. Fifty one percent of respondents indicated negatively to the following question in the survey: *“I stay with my grocery store because they know me”*. This indicates that respondents wanted to a more personal connection with their grocery store.

**Recommendation 3: Offer employees training and development opportunities to enhance customer experience and shopper experience.**

- Specialised training and development on customer experience and front line service will improve employee performance, boost employee morale and offer customers an improved service experience. This will also equip employees to act as brand ambassadors, instead on sales associates; and
- Employees must receive training on product information to advise customers throughout the customer journey.

**Recommendation 4: Employees must be available at all times to help and assist customers.**

- Provide fast and convenient support to customers;
- Customers must be able to reach out to employees at any time during the customer journey;
- Ensure that every employee are clearly identified with a name tag; and
- Employees must trained to develop a relationship approach with customers through improved communication and building an authentic connection.

**5.6.2. Recommendation: Post-Purchase / Consumption Experience**

The proposed conceptual model illustrated in Figure 2.8. suggested that Post-purchase / Consumption Experience is viewed as an independent factor of Customer Experience. The results of this study indicated that Post-Purchase / Consumption Experience have a significant positive influence on Customer Experience. Despite this, the majority of respondents indicated that they would change a grocery retail store because of lack of the personal relationship.

Respondents indicated that they would like to receive relevant information and that they are happy with the grocery store. The positive correlation between Post-purchase

/ Consumption Experience and Customer Experience reveals the need for this to be considered important as key to improving the customer journey. The following recommendations based on responses from this study and suggested to improve Post-purchase / Consumption Experience in the grocery retail sector:

**Recommendation 5: Implement a clear and concise return policy.**

- This gives customers the security that the products are guaranteed to be what it represents;
- Woolworths has a 30 day exchange policy in places, provided that the customer returns the product in its original condition and with packaging;
- Shoprite's return policy states that unopened products may be returned to the store, up to 7 days from receipt of good; and
- All grocery stores must outline return policies in store, on receipts and packaging.

**Recommendation 6: Establish a customer service desk in every store.**

- Customers can be referred to an appointed specialist should something go wrong during the customer journey. Woolworths has implemented a dedicated customer service desk to deal with specific customer related enquiries;
- Staff members must also follow up with customers following a post-purchase / consumption product or service issue; and
- A customer service desk can help customers in store and with telephone enquiries.

**5.6.3. Recommendation: Customer Experience**

The results indicated that respondents are positive about Customer Experience in the Grocery Retail Sector. Despite this, many indicated that the grocery store does not look after customers. The following recommendations based on responses from this study and suggested to improve Customer Experience in the grocery retail sector:

**Recommendation 7: Analyse customer data and offer personalised offers to customers through loyalty programmes.**

- A loyalty programme will give managers an insight into what customers need.



- A loyalty programme with specialised offers and discounts will show customers that they are valued. It will stimulate engagement with customers and drive sales;
- All brands in the study already have a loyalty programme of some sort in place. Using customer data will assist grocery stores to segment customers and offer special promotions and offers; and
- Only 40% of respondents in this study indicated that their grocery store looks after them. This clearly shows a need for specialised services and improved personalised offers. Loyalty programmes are an effective measure to understand what customers want and need.

**Recommendation 8: Transform the organisation culture to be “Customer-centric”.**

- Create a customer-centric culture in-store and online through all communication channels;
- Deliver on marketing communication promises;
- Treat all customers as valued and respected clients;
- The organisation should function in the spirit of one-team;
- Ask what customers want and encourage customer feedback. This must form part of your brand strategy. Feedback must be shared in team meetings and across all departments of the grocery store; and
- Provide easy access to products and services.

The following managerial recommendations are brand specific:

**Woolworths:**

- Woolworths should continue their customer orientated focus based feedback from respondents in the study; and
- Target male customers with specialised product offerings to increase traffic into their grocery stores.

**Spar:**

- The organisation is perceived as a community based grocery retailer. The organisation can use this differentiation to establish a personal connection with customers, which larger retailers lack.

**Shoprite:**

- The organisation should consider all listed general managerial recommendations for the grocery retail sector in South Africa in the context of this study. It will change and fast-track customer experience in the organisation;
- The company should make use of customer data from the recently launch loyalty program to offer specialised promotions and offerings to customers.

**Checkers:**

- The organisation should continue to benchmark against Woolworths but differentiate their shopping experience with high-end offering at the lowest prices; and
- Utilise and change store layout for ease of flow and traffic in store.

**Pick n Pay:**

- The company's overall customer strategy needs to be revisited. It holds one of the best loyalty programs in the country but still does not understand the customer needs and wants.

**5.7. SUMMARY**

The main objective of this research study was to explore Customer Experience in the Grocery Retail sector in South Africa. In Chapter 2, a conceptual model was constructed from a comprehensive review of scholarly literature. The statistician recommended a revised model after the data was analysed. This shifted to accept that Post-purchase / Consumption experience has a positive and significant impact on Customer Experience. The study investigated all the secondary objectives, to achieve the main research objective, which were:

- What is the definition of Customer Experience?
- What defines the grocery retail sector?
- What are the factors that influence Customer Experience?

- What research design will be used in this study?
- What are the relationships between the independent and dependant variables of Customer Experience in the grocery retail sector in South Africa
- What recommendations can be suggested to improve Customer Experience in the grocery retail sector in South Africa?

Theories on Customer Experience for this study were Experience Utility and the S-D Logic. Experience utility is based on the actual pleasure of an experience or outcome (Kahneman et al., 1997; Glimcher & Fehr, 2013), whereas S-D Logic is customer-centric and market-driven and is defined and co-created by the customer (Vargo & Lusch, 2004).

The study revealed that post-purchase / consumption has a positive and significant impact on Customer Experience. As such, the research question RQ<sub>M</sub>: *How can the grocery retail sector put customer needs at the centre of their business, which results in a good Customer Experience?* and RO<sub>M</sub>: *Explore Customer Experience in the grocery retail sector in South Africa to put customer needs at the centre of their business* were addressed.

In addition to main research question, limitations to the study, opportunities for future research and managerial recommendations were discussed. This chapter gave managerial recommendations and if implemented, Customer Experience in the grocery retail sector should be the centre of every business requirement in order to influence the organisation's bottom line.

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## **ANNEXURE A: ETHICS CONFIRMATION LETTER**



PO Box 77000, Nelson Mandela University, Port Elizabeth, 6031, South Africa [mandela.ac.za](http://mandela.ac.za)

Chairperson: Faculty Research Ethics Committee (Human)  
Tel: +27 (0)41 504 2906

Ref: [H20-BES-BES-013] / Approval]

28 April 2020

Prof M Cullen  
Department: Graduate School

Dear Prof Cullen,

### **TITLE OF STUDY: CUSTOMER EXPERIENCE IN THE GROCERY RETAIL AND THE BANKING SECTOR IN SOUTH AFRICA (NON-DEGREE)**

PRP: Prof M Cullen  
PI: Prof M Cullen

Your above-entitled application served at the *Faculty Ethics Committee of the Faculty of Business and Economic Science*, (14 February 2020) for approval. The study is classified as a negligible/low risk study. The ethics clearance reference number is H20-BES-BES-013 and approval is subject to the following conditions:

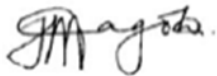
1. The immediate completion and return of the attached acknowledgement to [Lindie@mandela.ac.za](mailto:Lindie@mandela.ac.za), the date of receipt of such returned acknowledgement determining the final date of approval for the study where after data collection may commence.
2. Approval for data collection is for 1 calendar year from date of receipt of above mentioned acknowledgement.
3. The submission of an annual progress report by the PRP on the data collection activities of the study (form RECH-004 to be made available shortly on Research Ethics Committee (Human) portal) by 15 December this year for studies approved/extended in the period October of the previous year up to and including September of this year, or 15 December next year for studies approved/extended after September this year.
4. In the event of a requirement to extend the period of data collection (i.e. for a period in excess of 1 calendar year from date of approval), completion of an extension request is required (form RECH-005 to be made available shortly on Research Ethics Committee (Human) portal)
5. In the event of any changes made to the study (excluding extension of the study), completion of an amendments form is required (form RECH-006 to be made available shortly on Research Ethics Committee (Human) portal).
6. Immediate submission (and possible discontinuation of the study in the case of serious events) of the relevant report to RECH (form RECH-007 to be made available shortly on Research Ethics Committee (Human) portal) in the event of any unanticipated problems, serious incidents or adverse events observed during the course of the study.
7. Immediate submission of a Study Termination Report to RECH (form RECH-008 to be made available shortly on Research Ethics Committee (Human) portal) upon unexpected closure/termination of study.
8. Immediate submission of a Study Exception Report of RECH (form RECH-009 to be made available shortly on Research Ethics Committee (Human) portal) in the event of any study deviations, violations and/or exceptions.
9. Acknowledgement that the study could be subjected to passive and/or active monitoring without prior notice at the discretion of Research Ethics Committee (Human).



Please quote the ethics clearance reference number in all correspondence and enquiries related to the study. For speedy processing of email queries (to be directed to [Lindie@mandela.ac.za](mailto:Lindie@mandela.ac.za)), it is recommended that the ethics clearance reference number together with an indication of the query appear in the subject line of the email.

We wish you well with the study.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Mago', with a stylized flourish at the end.

**Prof S Mago**

Cc: Department of Research Capacity Development  
Faculty Research Co-ordinator: Lindie van Rensburg

## ANNEXURE B: TURNITIN REPORT

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## **ANNEXURE C: CORRESPONDENCE FROM PROFESSOR PHILLIP KLAUS**

From: KLAUS Philipp <pklaus@inseec.com>

Sent: Sunday, 05 January 2020 5:02 PM

To: Cullen, Margaret (Prof) (2nd Avenue Campus) <Mcullen@mandela.ac.za>;  
pklaus@monaco.edu

Subject: Re: REQUEST FOR QUESTIONNAIRE USED FOR CUSTOMER  
EXPERIENCE: ARE WE MEASURING THE RIGHT THINGS?

Dear Prof. Cullen,

I trust this email finds you well.

Thank you for your interest in our work and including my scale in your MBA program.  
Much appreciated.

The EXQ scale we originally proposed has been refined and I attached the latest  
version for your records. This new and improved scale has been published in my 2015  
book and in a forthcoming article for the Journal of Business Research.

Hopefully this will assist you and your students.

For any further enquiries, please do not hesitate to contact me.

Allow me also to wish you a healthy, happy, and prosperous 2020.

Yours sincerely

Prof. Dr. Phil Klaus MBA, MRes

Professor of Customer Experience Strategy and Management

## **ANNEXURE D: QUESTIONNAIRE**

Please indicate your gender	
Male	
Female	
Other	

Please indicate your age	
18-29	
30-39	
40-49	
50-59	
60+	

Please indicate your gross household monthly income	
< R10 000.00	
R10 000.01- R20 000.00	
R20 000.01- R40 000.00	
R40 000.01- R60 000.00	
>R60 000.00	

Please indicate your highest qualification	
Less than matric	
Matric	
Certificate	
Diploma	
Degree	
Post-Graduate degree	

The following questions pertain to the grocery retail store you frequent the most.

Please indicate where you buy most of your groceries.

Checkers	
OK	
Pick n Pay	
Shoprite	
Spar	
Woolworths	
Other: please indicate	

Brand experience	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Do not know
The grocery store I shop at has a good reputation.						
I am confident in my grocery store's expertise.						
My grocery store gives independent advice (on which product/service will best suit my needs).						
I choose my grocery store because of the price alone.						
The people who work at my grocery store represent their brand well.						
My grocery store's offerings have the best quality.						
My grocery store's offerings are superior.						
My grocery store offers a variety of products that suit my needs						
Service (provider) experience	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Do not know
My grocery store advises me throughout my shopping experience.						
Dealing with my grocery store is easy.						
My grocery store keeps me informed.						
My grocery store demonstrates flexibility in dealing with me.						
At my grocery store I always deal with the same people.						
My grocery store's personnel relate to my wishes and concerns.						
The people I am dealing with (at my grocery store) have good people skills.						
My grocery store delivers a good customer service.						

I have built a personal relationship with the people at my grocery store.						
My grocery store's facilities are better designed to fulfill my needs than their competitors						
My grocery store's online facilities are designed to be as efficient as possible (for me).						
My grocery store's offline facilities are designed to be as efficient as possible (for me).						
My grocery store uses social media to keep me informed.						
<b>Post-purchase / consumption experience</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Do not know</b>
I stay with my grocery store because they know me.						
My grocery store knows exactly what I want.						
My grocery store keeps me up-to-date.						
My grocery store will look after me for a long time.						
My grocery store deal(t) well with me when things go(went) wrong.						
I am happy with my grocery store as my service provider.						
Being a client at/customer of my grocery store gives me social approval.						
<b>Customer experience</b>	<b>Strongly disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>	<b>Do not know</b>
My grocery store provides a great customer experience.						
My grocery store is the best.						
My grocery store is a great brand.						
I intend to shop here for a long time.						

There are other shops but I would rather stay with mine; it makes it much easier.						
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Thank you for your participation

If you would like feedback, please contact Professor Margaret Cullen on  
[Margaret.cullen@mandela.ac.za](mailto:Margaret.cullen@mandela.ac.za)