

**PERCEIVED SERVICE QUALITY AND CUSTOMER
SATISFACTION OF SUPERMARKETS IN NAIROBI COUNTY**

RHODA NAMBUSWA TOILI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
DEGREE OF MASTER OF BUSINESS ADMINISTRATION OF THE
UNIVERSITY OF NAIROBI**

2017

DECLARATION

This research project is my original work and has not been submitted for award of a degree in any university or other institution.

SignedDate

Rhoda Nambuswa Toili

D61/67903/2011

This research project has been submitted for examination with my approval as the university supervisor.

Signed.....Date.....

Zipporah Kiruthu

Department of Management Science,

School of Business.

ACKNOWLEDGEMENTS

I am grateful to my Father in Heaven for enabling my success. I would never have come this far if it were not for the many sacrifices and labors of my parents Prof. William and Margaret Toili or the support, encouragement and inspiration from my sisters Riziki, Muyoka and Charlotte, my brothers Eli and Kuka and my friends Musa Lwegado, Jane Kiiru, Allan Wanyama and many others I have not mentioned by name. I sincerely appreciate my supervisor Zipporah Kiruthu for her patience, invaluable insight, support and dedicating her time to my course. I thank Dr. Kate Litondo for her judiciousness and support; E. Akello for his invaluable insight and support; my manager Michael Odongo for his understanding; Eunice Nyangoto and Mathew Kiragu for their support in data analysis.

DEDICATION

To my dad and mom

TABLE OF CONTENT

DECLARATION.....	ii
ACKNOWLEDGEMENTS	iii
DEDICATION.....	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
LIST OF ABBREVIATIONS	x
LIST OF ACRONYMS	xi
ABSTRACT.....	xii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study	1
1.1.1 Perceived Service Quality	2
1.1.2 Customer Satisfaction	3
1.1.3 Perceived Service Quality and Customer Satisfaction	4
1.1.4 Supermarkets in Kenya	5
1.2 Research Problem	7
1.3 Research Objectives.....	9
1.4 Value of the Study	10
CHAPTER TWO: LITERATURE REVIEW	11
2.1. Introduction.....	11
2.2 Theoretical Review	11
2.2.1 Assimilation Theory	11

2.2.2 Cognitive Dissonance Theory	12
2.2.3 Equity Theory.....	12
2.2.4 The SERVQUAL Model.....	12
2.3 Perceived Service Quality.....	13
2.4 Customer Satisfaction	15
2.5 Perceived Service Quality and Customer Satisfaction.....	16
2.6 Empirical Studies	17
2.7 Summary of the Literature	18
2.8 Conceptual Framework.....	19
CHAPTER THREE: RESEARCH METHODOLOGY	23
3.1 Introduction.....	23
3.2 Research Design.....	23
3.3 Target Population.....	23
3.4 Sample Design	23
3.5 Data Collection	25
3.7 Data Analysis and Presentation	25
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION	27
4.1 Introduction.....	27
4.2 Data Collection	27
4.3 Response Rate.....	27
4.4 Demographic Profile.....	28
4.4.1 Respondents' Gender	28

4.4.2 Respondents' Age	29
4.4.3 Shopping period	30
4.5 Perceived Service Quality.....	31
4.5.1 Tangibles	32
4.5.2 Reliability	32
4.5.3 Responsiveness.....	34
4.5.4 Assurance	35
4.5.5 Empathy	36
4.7 Customer Satisfaction	37
4.8 Perceived Service Quality and Customer Satisfaction.....	38
4.9 Discussion	41
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ...	45
5.1 Introduction.....	45
5.2 Summary of the Findings.....	45
5.3 Conclusion	47
5.4 Recommendations.....	48
5.5 Limitations of the Study.....	49
5.6 Suggestions for Further Research	49
REFERENCES.....	50
Appendix I: Questionnaire	56
Appendix II: List of Supermarkets in Nairobi County	62

LIST OF TABLES

Table 3:1. Number of Respondents	25
Table 4.1: Response Rate.....	28
Table 4.2 Customers' Expectations and Perceptions on Tangibles Dimension.....	32
Table 4.3 Customers' Expectations and Perceptions on Reliability Dimension	34
Table 4.4 Customers' Expectations and Perceptions on Responsiveness Dimension	35
Table 4.5 Customers' Expectations and Perceptions on Assurance Dimension.....	36
Table 4.6 Customers' Expectations and Perceptions on Empathy Dimension	37
Table 4.7: Customer Satisfaction	38
Table 4.8: Model Summary	39
Table 4.9: ANOVA.....	39
Table 4.10: Coefficient Analysis	40
Table 4.11: Pearson Correlation Results.....	41

LIST OF FIGURES

Figure 2.1. Conceptual Framework	20
Figure 4.1: Respondents' Gender	29
Figure 4.2: Age bracket.....	30
Figure 4.3: Period of Shopping.....	31

LIST OF ABBREVIATIONS

CDT	Cognitive Dissonance Theory
CS	Customer Satisfaction
EDT	Expectancy Dissonance Theory
FMCG	Fast Moving Consumer Goods
ICICIPLI	Industrial Credit and Investment Corporation Prudential Life Insurance Company
NCC	The Nairobi City Council
PSQ	Perceived Service Quality
RSQS	Retail Service Quality Scale
SQ	Service Quality

LIST OF ACRONYMS

SERVQUAL

Service Quality Model

SPSS

Statistical package For Social Science

ABSTRACT

Supermarkets are essential entities in economies globally due to their crucial function of providing and distributing basic human needs such as food items, consumer goods and lifestyle products. Intense competition among retailers in Kenya enables customers to easily switch between supermarkets in their quest to satisfy their dynamic preferences and needs. A review of various empirical studies shows that extensive research on customer satisfaction and perceived service quality using SERVQUAL model have been done in service industries like telecommunication, banking, health care and restaurants, however, a few studies have focused on supermarkets in Kenya. The study sought to fill this gap and complement current research on retailing services using SERVQUAL model. Determining perceived service quality and customer satisfaction of supermarkets in Nairobi County was the main aim of this study. A descriptive methodology was adopted as the appropriate research design in order to achieve the aim of the study. The study also applied stratified random sampling technique to divide the target population of 125 supermarkets into One-branch and Multi-branch strata. Yamane's formula was used to obtain a sample size of 52 and 15 numbers of branches from each stratum respectively. Kothari's formula was used to obtain a sample size of 384 respondents of which 300 and 84 were apportioned to the above strata respectively. Every 3rd respondent was selected at the exits of selected supermarkets in each stratum. To collect primary data a questionnaire that was self-administered was issued to the selected respondents. Analysis of the primary data collected was done using percentiles, frequency distribution, means, standard deviation, regression analysis, correlation analysis and ANOVA. The results of the analysis were presented on pie charts, tables, and as percentages. The findings revealed that customers' perceptions of supermarkets in Nairobi County are very high. Tangibles and reliability dimensions have the lowest and highest perceptions of quality of service respectively. Customers are also very satisfied with the overall services and prices offered. It was found that perceived service quality and customer satisfaction exhibit a strong positive correlation.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Service based organizations are increasingly acknowledging the vital role service quality (SQ) plays in market positioning, operational efficiency and financial performance of a firm and more so due to its close association with customer satisfaction (Tan, Oriade & Fallon, 2014). Several empirical studies suggest that perceived service quality (PSQ) plays a critical role in driving customer satisfaction (CS); provides a direct or indirect effect on behavioral intentions and positively influences customer satisfaction. Subsequently, companies are incessantly striving to deliver high service quality to gain competitive advantage.

In the past decade, the global retail industry has experienced significant changes in terms of growth, competition, technology and consumer needs. A report published by Euromonitor international (2016) suggests that the Kenyan retail market will continue to witness exponential growth due to the steady growth in the local supermarket brands and increasing penetration by international retailers. This is as a result of both the local and international supermarket retailer responding to change in the consumer shopping culture. Accordingly, these retailers make it their priority to meet the dynamic consumer preferences and needs and most importantly, to increase sales and cultivate a repeat purchase behavior. In such a market, characterized by intense competition and dynamic consumer needs, it is important for supermarkets to continuously assess the consumers' perceptions of quality of service against their expectations so as to meet and satisfy their

desires and preferences. This study examined PSQ and CS by undertaking a descriptive survey among shoppers of selected supermarkets in Nairobi County. The findings will add to existing literature on PSQ and CS and also enable those who make decisions, research and run business operations to determine excellent practices in retailing. The constructs in this study are elaborated in the sub-sections that follow.

1.1.1 Perceived Service Quality (PSQ)

Jiang and Wang (2006) define (PSQ) as comparing how service is performed or experienced (perceptions) with what the customer expected to receive. They argue that a customer's evaluations depend on their memory or feeling rather than on service attributes. PSQ is the differences between the perceptions of a consumer about a service and the expected outcome. There are many definitions of SQ by several different authors; however, they all agree that SQ is a multidimensional concept due to its elusive nature. Furthermore, they agree that no agreement has been reached on the dimensions and have been proven to vary across service industries. In the service industry five facets of SQ namely; responsiveness, reliability, assurance, tangibles and empathy are used to assess the quality of services as postulated by Parasuraman et al. (1990).

Ojo (2008) describes tangibles as the visual appeal of physical resources and materials like service equipment, tools for communication and appearance of personnel; assurance as employees' courtesy, level of knowledge, confidence and trustworthiness; reliability as the capacity to execute services accurately and dependably; empathy as caring about customers, delivering individualized services, making access to employees easy and understanding customer needs; responsiveness as the drive and effort to assist customers.

Parasuraman *et al.* (1990) further developed an instrument called SERVQUAL which consists of 22 facets that are divided into the 5 dimensions used for assessing SQ as a calculated gap resulting from the difference between customers' expectations of what they desire a service to offer and what they actually experienced or perceptions (Suuroja, 2003). Though SERVQUAL is has been widely applied in different service industries, it has received numerous criticisms from other researchers with regards to its application in different contexts and the number of dimensions to be measured. This study was based on the SERVQUAL scale and used the gap analysis to determine perceptions of quality of service and customer satisfaction of supermarkets in Nairobi County.

1.1.2 Customer Satisfaction

Philip and Hazlett (1997) propose that customer satisfaction is described as customers' perception about a service and is attributed to their assessment of the quality of service received. Dissatisfaction is deemed as the consequence of a product or service failing to meet the customer's expectations whereas satisfaction is what a customer feels when a product or service meets his or her expectations. Customers are delighted when the product or service performance surpasses their expectations. Like SQ, there are many definitions of customer satisfaction by different authors. Consequently, different theories have been developed to establish the aspects of a service that customers perceive as important and have arrived at particular factors that measure CS in different service industries. Parasuraman *et al.* (1990) argues that assessing CS is centered on five distinctive facets of the SERVQUAL model namely; empathy, tangibles, reliability, responsiveness, assurance.

Lamb et al. (2012) argues that assessment of customer satisfaction should reflect on factors which are important to a particular industry or organization such as price perceptions of customers, reliability of a service and the image of the brand. Fornell (1992) asserts that there is no consensus among authors on evaluation of customer satisfaction. Consequently, measurement of customer satisfaction must be a continuous process that translates what customers want (their needs and expectations) into strategic information that can be used by management in decision making (Lamb *et al.*, 2012). To measure customer satisfaction this study used price perceptions, asked customers direct questions to rate their levels of satisfaction, the levels which their expectations were met, whether they intended to make repeat purchases and if they would refer other customers to the supermarkets.

1.1.3 Perceived Service Quality and Customer Satisfaction

PSQ is considered by different authors as a multi-dimensional concept, similarly customer satisfaction should be considered in this manner too and as such ought to be operationalized on similar facets used for SQ. Spreng and Mackoy (1996) posit that the association between CS and PSQ has been extensively reviewed by many researchers in the past few years. Literature on marketing considers SQ and customer satisfaction as critical objectives in the marketing practices (Saravanan & Rao, 2007). Shemwell, Yavas and Bilgin (1998) suggest that the most fundamental competitive aspect for grocery service is the provision of high quality of services which inspires satisfaction of customers. Customer satisfaction is essential for customer loyalty and retention in grocery stores; these in turn assist in achieving the financial goals of the store viz a viz increasing market share and profitability (Reichheld, 1996: 2003). Numerous arguments

about SQ and customer satisfaction suggest that these concepts are different but have a close relationship (Dabholkar, 1995). Bitner and Hubert (1994) argue that though SQ and customers satisfaction exhibit a strong correlation they are very different concepts. Therefore, it is paramount that service related companies view these two concepts as different. CS is indicated by what the customer feels when they visit and experience a store's service severally; meaning that the customer will have experienced the store's service and will be qualified to make evaluations. PSQ on the other hand is a hypothetical concept considered to be highly manipulated by factors which are external to the firm like advertisements. Zeithaml et al. (2006) argue that the concept of CS is broad whereas SQ pinpoints different service dimensions. This implies that PSQ is a constituent of customer satisfaction and that there is a close connection between the two (Saravanan & Rao, 2007).

1.1.4 Supermarkets in Kenya

The Kenyan retail domain is made up of three tiers of supermarkets (Neven, Reardon, Chege & Wang 2006). Tier one comprises of two leading supermarkets in the market and those with high sales of FMCG namely Nakumatt and Uchumi supermarkets. The two represents almost 50 percent of sales in the supermarket sector. Uchumi serves customers from every economic group while Nakumatt targets the high income group. Supermarkets in the second tier comprise of Naivas, Tuskys and Ukwala chains. These supermarket chains target the low-income and middle income customers. The position of these supermarkets has changed during the recent years due to bankruptcy and poor corporate governance. Uchumi is currently under receivership while Nakumatt is marred in huge debts, bankruptcy and downsizing

strategies. Tuskys and Naivas continue to increase their market share by diffusion into residential estates within Nairobi and its environs. Other supermarkets formerly in the third tier such as Cleanshelf, Tumaini, Mathais, Chandarana and East Matt continue to penetrate the competitive retail market in Nairobi County. It is evident that the position of supermarkets in the different tiers has changed in the recent years and another study to determine the current situation is paramount. This study divided the 125 supermarkets in Nairobi County into One-branch and Multi-branch strata.

The most developed retail markets networks in Eastern Africa are found in Kenya, for example, more than 125 independent supermarkets are in located in Nairobi County (NCC, 2017). Weatherspoon and Reardon (2003) note that supermarkets have about 30 percent of the retail market share in Kenya. The retail market has also foreign retailers such as Metro Cash & Carry, Woolworths and ShopRite, (Weatherspoon & Reardon, 2003). In 2013 the supermarkets which emerged in top five positions held a 28 percent market share and 60 percent of sale; the same was witnessed in France, South Africa and Latin America. The Kenyan supermarkets have grown in the geographical regions though more growth is expected in relation to increase in customer base. There are however more supermarkets in Nairobi County and which are highly developed in because of its economic status as the biggest urban centre with a population of 3.6 million (NCC, 2017). Neven, Reardon, Chege and Wang (2006) suggest that the two greatest motivators for shopping in supermarkets include variety of goods and fair prices which are extended to customers. Their research revealed that supermarket prices are usually on an average low. Furthermore, the authors mention that the supermarkets have outlets in the residential estates within Nairobi and have great dissemination patterns; an

indication that supermarkets are highly developed in Nairobi as compared to other urban areas, thus was the best place to study customer perceptions of service quality and satisfaction.

1.2 Research Problem

Supermarkets have an essential purpose in economies because they provide and distribute basic human needs such as food items, consumer goods and lifestyle products. Since consumer needs are dynamic in nature, supermarkets must incessantly study their customers so as to identify their desires and preferences in order to realign their service strategies to satisfy them. Intense competition among supermarkets in Kenya enables customers and especially those from the bulging middle class to easily switch between service providers in their quest to satisfy their changing sophisticated preferences and needs. Therefore, supermarkets which can identify their customer needs and differentiate their services to satisfy these needs gain a competitive advantage through attaining high customer satisfaction levels and loyalty hence an increasing market share.

Bojanic and Rosen (1994) posit that competing firms often provide similar services and as their customers become aware of the quality of service dimensions they increasingly become sensitive to prices and perceived value. Thus, supermarkets must continuously assess customers' insights of quality of services to determine the dimensions which require emphasis and improvement. This study adopted SERVQUAL model to assess PSQ of shoppers in supermarkets by establishing the difference between customers' expectations of what supermarkets should offer and their experience of the supermarket they visited (gap analysis). Numerous empirical studies have been done in different

industries on PSQ and CS and have employed different SQ measurement scales whose findings indicate a direct or positive relationship between the two concepts with differences in the service quality dimensions that inform customer satisfaction. Internationally, Mistri and Bhatt (2014) found that physical aspects and personal interactions proponents of the Retail Service Quality Scale (RSQS) model have positive impacts on customer perception of the SQ in Indian retail stores and concluded that the dimension of the RSQS should be modified for use in India to provide more significant findings. Nhat and Hau (2007) using the RSQS scale concluded that service personnel has the highest impact on customer perception on retail service quality in Vietnam, whereas physical aspects has the lowest impact.

Reza and Barua (2013) using the RSQS scale concluded that assurance, physical aspects and product had the least influence on customer satisfaction and reliability have high effects on satisfaction of customers in supermarkets in Bangladesh. In Kenya, Kimani, Kagina, Kendi and Wawire (2011) studied shoppers' perceptions of supermarkets versus small convenience shops using SERVQUAL model based on purposive sampling, found that tangibles, responsiveness and reliability has high influence on CS in small convenience shops in Rongai and Ngong areas of Kenya whereas reliability, responsiveness and empathy had high influence on satisfaction of customers of supermarkets in that order. Imbuga (2005) studied customer satisfaction levels of supermarkets in Nairobi using SERVQUAL model based on cluster sampling of shoppers into upper, middle and lower economic classes, found that they were generally satisfied with services offered in supermarkets especially with regards to layout, cleanliness and

convenience. Mutua (2013) investigated factors that influence satisfaction of customers in supermarkets in Nakuru town using SERVQUAL model and a case study of Gilani's supermarket found that customers were generally dissatisfied with the supermarket's responsiveness. Further, responsiveness and reliability had high impact on CS. Owuor and Waiganjo (2014) in a study to determine the factors that influence CS at the Nairobi Defense Forces canteen, concluded that product assortment, pricing, convenience, product quality and price to quality ratio greatly influenced customer satisfaction. SQ was also found to be a strong predictor or originator of CS but with weak influences on purchase intents.

Extensive research on PSQ and CS has been carried out using the SERVQUAL model in service industries such as health care, telecommunication, banking, and restaurants, whereas, few studies have focused on supermarkets using this instrument. This study will therefore bridge this gap by complementing existing research on PSQ and CS in the retailing services sector using the SERVQUAL model. Accordingly, the specific research questions for the study include; what are the perceptions of service quality among customers of supermarkets in Nairobi County? Are customers of supermarkets in Nairobi County satisfied with the services offered? Is there any relationship between perceived service quality and customer satisfaction in supermarkets in Nairobi County?

1.3 Research Objectives

The general objective of the study was to determine the perceptions of service quality among customers of supermarkets in Nairobi County.

The specific objectives of the study were as follow;

- i. To determine whether customer of supermarkets in Nairobi County are satisfied with the services offered.
- ii. To determine the relationship between perceived service quality and customer satisfaction in supermarkets in Nairobi County.

1.4 Value of the Study

The study findings shall provide current perspective on issues related to customer perceptions of services offered in supermarkets and also on what customers currently deem as important in achieving high customer satisfaction. In terms of the practical value, the findings of this study would assist retail operations managers to formulate strategies for improved quality management to facilitate customer satisfaction through adoption of best supermarket operations practices which will result in better performance and increased customer loyalty.

The study will also be of great importance to policy makers in designing policies that will assist supermarket in enhancing customer satisfaction through service quality. The resulting identified gaps would create room for further research in PSQ and CS in supermarket retailing. The findings of this study will also add to the literature on the emerging business of supermarket franchising which focuses on service quality. Furthermore, the study will be valuable to researchers in operations management, marketing and other related fields as it will support and also complement current issues on perceived service quality and customer satisfaction. It will also provide a basis upon which other related studies can be founded and even replicated.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

This section examined related empirical works on PSQ and CS, dimensions and the model for measuring these constructs and their relationship. Key theories and arguments in the literature have been identified from a varied range of SQ, satisfaction of customers and retail literature.

2.2 Theoretical Review

This study was guided by the assimilation, cognitive dissonance and equity theories and the service quality model to establish PSQ and CS and the relationship between PSQ and CS of supermarkets in Nairobi County.

2.2.1 Assimilation Theory

Assimilation Theory was first coined by Festinger (1957) based on dissonance theory which postulates that customers make cognitive evaluation between their anticipation of how a product should be and the perceived performance of the product. This view where a consumer makes judgment on satisfaction after usage of product was then improved upon to coin the assimilation theory (Peter, 2000). Assimilation theory postulates that consumers elude dissonance by adjusting the perceptions or the performance of a product so that it is on the same level as their expectations. (Craig, Ghosh & McLafferty, 2004). This study was guided by this theory to establish the service quality perceptions and customers' satisfaction of supermarkets in Nairobi County.

2.2.2 Cognitive Dissonance Theory

Cognitive dissonance can be defined as feeling of discomfort brought about by having two contradicting ideas at the same time (Owuor & Waiganjo, 2014). The theory was coined by Festinger (1957) and holds that consumers seek to elude this uncomfortable feeling brought by the discrepancy between perception and expectation by adjusting their beliefs, attitudes and behaviour. Accordingly, individuals seek to minimize inconsistencies between cognitions such as beliefs and opinions such that whenever an inconsistency occurs between the cognitions such as between attitude and beliefs, then one aspect must change to eliminate the psychological discomfort. The cognitive dissonance has been greatly used to build on consumer behaviour theory (Arturo, 2009).

2.2.3 Equity Theory

The Equity Theory was first proposed by Stouffer and postulates that the outcomes inputs ratio must be constant throughout all participants (Arturo, 2009.) As used in the research about customers' satisfaction, satisfaction comes about when the consumers believe that the ratio of outcomes to input equals to that of the exchange person. (Owuor et al., 2014). Therefore, when customers evaluate products performance they assess whether the service has perceived value, that is, it gives value to money spent, meets their expectations and satisfies their need.

2.2.4 The SERVQUAL Model

This model postulates that customers' assessment of SQ is grounded on 5 dimensions; responsiveness, assurance, empathy, reliability and tangibility. The model encompasses twenty two aspects of SQ in terms of statements used to evaluate the perceptions and

expectations of customers about SQ (Parasuraman et al., 1988). Zeithaml *et al.* (1990) posit that customers perceive the quality of services after comparing what they expect a service to offer with what was actually delivered. Further, the authors conclude that the key to inspiring high perceptions of quality of service in customers is to meet the expectations of the customers. Zeithaml and Bitner (2000) describe customer expectations as the beliefs they have regarding a service and which act as standards for measuring the performance of a service.

Parasuraman *et al.* (1988) describe customer expectations as what they believe should be offered and not what is offered by the service provider. These expectations are usually influenced by an organization's external factors which have been identified by Zeithaml et al. (2006) as advertisement, word of mouth, individual needs and past experience. Services which do not reach consumer expectations result in a gap in quality. This can be addressed by identification and implementation of strategies that improve on consumers' perceptions (Zeithaml *et al.*, 2006). The dimensions and their relationships to customer perception and satisfaction are what determine the quality of services in an organisation.

2.3 Perceived Service Quality

PSQ is used by consumers to determine the quality of a service as postulated by Rust and Oliver (2014). They suggest that PSQ is a consequence of consumers comparing his or her expectation of a service with its performance. Parasuraman et al. (1988) argue that this assessment is done through disconfirmation of expectations. On the other hand Cronin and Taylor (2012) postulate that the assessment is done by evaluating performance standards of a service. Negi (2009) proposes that satisfying the customer in

the service industry is not enough and that there ought to be a compelling need for service providers to continually delight their customers to ensure competitive advantage and performance. According to Zeithaml *et al.* (1996) PSQ is centred on five components which are considered to be the originators of customer satisfaction. They further argue that PSQ is a product of the interactions of a consumer with a service provider hence is measured by the perceptions and attitudes of the customers based on the five dimensions.

Affiaine and Zalina (2008) carried out a study to determine expectations and perceptions of bankers in terms of services provided at banking service counters. The results showed large gaps between customer perception and their expectation on reliability, responsiveness and empathy in that order. Bodla and Chaudhary (2012) carried out a study in India in ICICI Prudential Life Insurance Company to ascertain expected and PSQ levels due to stagnation of the growth of insurance companies and numerous complaints of poor services in life insurance services. The study found a significant quality gap in responsiveness. Faizan and Yuan (2014) carried out a study to determine service quality perception by consumers in Pakistan Islamic and conventional banks in 3 main cities of Islamabad, Peshawar and Karachi. The research further sought to determine service quality elements essential for customers in banks. The results indicated that the perception of customers is somewhat high on assurance and tangibles for conventional and Islamic banks respectively. Further, perception of customers was low on tangibles and responsiveness of Islamic banks.

A study examining the use of SERVQUAL model in assessing service quality of Strathclyde Police in Scotland was conducted by Donnelly, Kerr, Rimmer & Shiu (2006). Customers' expectations on "excellent" services that should be offered by the police were captured and a comparison was made with their perceptions of services offered by the Strathclyde Police. The researchers examined the understanding of the police about expectations of customers and how services are delivered to ensure quality. The study revealed that police in Strathclyde acknowledge consumer's expectations of quality of services. Graham (2004) investigated service quality improvement in Kenyan and Greece Insurance Companies. The study focused on the basis that there is high dissatisfaction of customers in insurance companies. Data was obtained from insurance companies in Kenya and Greece; the SERVQUAL model was used in measuring quality of services to identify the determinants of quality and the gaps that existed.

2.4 Customer Satisfaction

Customer satisfaction results from experiencing the desired outcome after using a product or service (Ekinci, 2003). Many authors have identified attributes considered to be significant to customer satisfaction in the retail industries. From these studies, the identified determinants of customer satisfaction include; price, brand variety, location, convenience, staff friendliness. Cacioppo (2010) proposes that customers determine retail service satisfaction based on customer service, variety of brands, store ambience and convenience in both location and shopping. Customer satisfaction results from measurement of products and services by customers based on their evaluations of previous experience and also their overall assessment of the service experience (Wan & Schell 2013). A publication by the National Business Research Institute (2009) suggests

that consumer satisfaction can be determined using the quality of services offered, speed of delivery of services, positioning of company in customer's mind, price, closeness of relationship between staff and customer, trustworthy staff, promptness and effectiveness of complaint handling and implementations of customer suggestions feedback. Kapferer (2011) posits that there are numerous determinants that can be used to assess customer satisfaction such as price, efficiency of service delivery, staff attitude, company image and convenience of location.

Researchers have developed numerous models for explaining the customer satisfaction components. While various researchers view perceived satisfaction as a whole element, others believe that it is a product of consumers making a comparison of the expected performance of a product (Parasuraman, 1988; Gronroos, 2001; Kotler & Kelvin, 2006). Different theories explain the needs of customers and identify factors used in determining the satisfaction of customers. Various studies (Cronin & Taylor, 1992; Spreng & Mackoy, 1996; Rootman, 2006) have also used one item to measure the overall satisfaction of customers.

2.5 Perceived Service Quality and Customer Satisfaction

Empirical findings indicate that PSQ and CS are different concepts (Bitner, 1994; Spreng et al., 1996), with a strong positive correlation (Cronin & Taylor, 1992) but have significant differences. PSQ is like an attitude, while satisfaction is a transactions-specific measure. Parasuraman *et al.* (1985) states that in measurement of PSQ the comparison level is what a consumer ought to anticipate, while in determining satisfaction the suitable evaluation is what a consumer expects. The perception of quality does not

require experience and have specific dimensions, whereas satisfaction requires experience with the service provider and may be as a result of any dimensions which may not be quality. Kasper *et al.* (2006) argue that quality refers to the aspects of what is provided by a service whereas the reaction of customer after using a product results in satisfaction or dissatisfaction. This places the responsibility for quality on the organization whilst satisfaction lies with the individual customer's experience, however, the two concepts are interrelated in that customer dis/satisfaction can be used to measure quality and vice versa. Empirical literature by Oliver (1993; 2010) provides understanding on models which view SQ as the precursor or originator of customer satisfaction.

2.6 Empirical Studies

Julander (2016) studied on PSQ and CS in a framework of store performance of retailers in Swedish grocery stores. The study measured PSQ, CS and customer behavior and the measures compared with each store's profitability and productivity. The results revealed that PSQ has a positive relationship with customer loyalty but was not related to the profitability of the firm. Labour productivity was negatively related to PSQ.

Mahfooz (2014) investigated the association between SQ and CS in Saudi Arabia hypermarkets using RSQS model concluded that dimensions which had high levels of perceived quality of services had the maximum influence on CS. A significant association between RSQS dimensions and CS was also established. Reza and Barua (2016) studied the service quality effects on CS superstores in Bangladesh using RSQS model and found that reliability is the most significant factor with a significant impact on

customer satisfaction followed by policy, personal interaction, problem solving. Physical aspect, assurance, and product have no effects on customer satisfaction.

Weerasiri (2013) examined SQ of supermarkets in Colombo district of Sri Lanka and its impact on CS by using an adapted SERVQUAL model, revealed that service quality was appraised using assurance, reliability, responsiveness, empathy and customer care in that order. All the dimensions were significant predictors of satisfaction of customers. Kumar, Manjunath and Thimmaiah (2015) studied consumer satisfaction of SQ offered in apparel retailing section of a supermarket in Mysore city using five dimensions; tangibles, customer knowledge, responsiveness, convenience and competence. They found that each of the dimensions was positively related to CS and influenced CS in the order above. Beneke, Hayworth, Hobson and Mia (2012) studied effects of RSQS dimensions on customers' satisfaction and loyalty in South Africa using the RSQS model and revealed a positive correlation between physical appearance and personal interaction and CS. In Kenya, Mwangi (2014) examined the relationship between SQ dimensions and loyalty of customers among those who frequented supermarkets in Nairobi County and concluded SQ is positively associated to customer loyalty.

2.7 Summary of the Literature

Theories and models discussed show that the concepts of this study; PSQ and customer satisfaction had inherent indicators that form the backbone of the predictor and the contingent variables for the study. The SERVQUAL scale was the basis of this study and postulates that customers assess the PSQ based on five facets.

Empirical literature suggested that the two constructs are interrelated such that dis/satisfaction might be used in determining SQ and can be operationalized using similar dimensions. PSQ is the appraisal done by the consumer on the quality of a service which results from consumers' comparison of the expectations of a service and its actual performance. Satisfaction is achieved when the product gives the consumer what they desire or want. The customer is dissatisfied in the case where their expectation is not met. The consumer is satisfied when their expectations have been met.

2.8 Conceptual Framework

Theoretical underpinnings of the study as well as the theoretical models on assessing PSQ in the service based industry were used to design the study's conceptual framework. The SERVQUAL scale postulates that service quality in a service-oriented firm is assessed on the basis of five distinctive components; responsiveness, assurance, tangibles, empathy and reliability. Based on this argument the following conceptual model was adopted.

Independent Variable

Dependent Variable

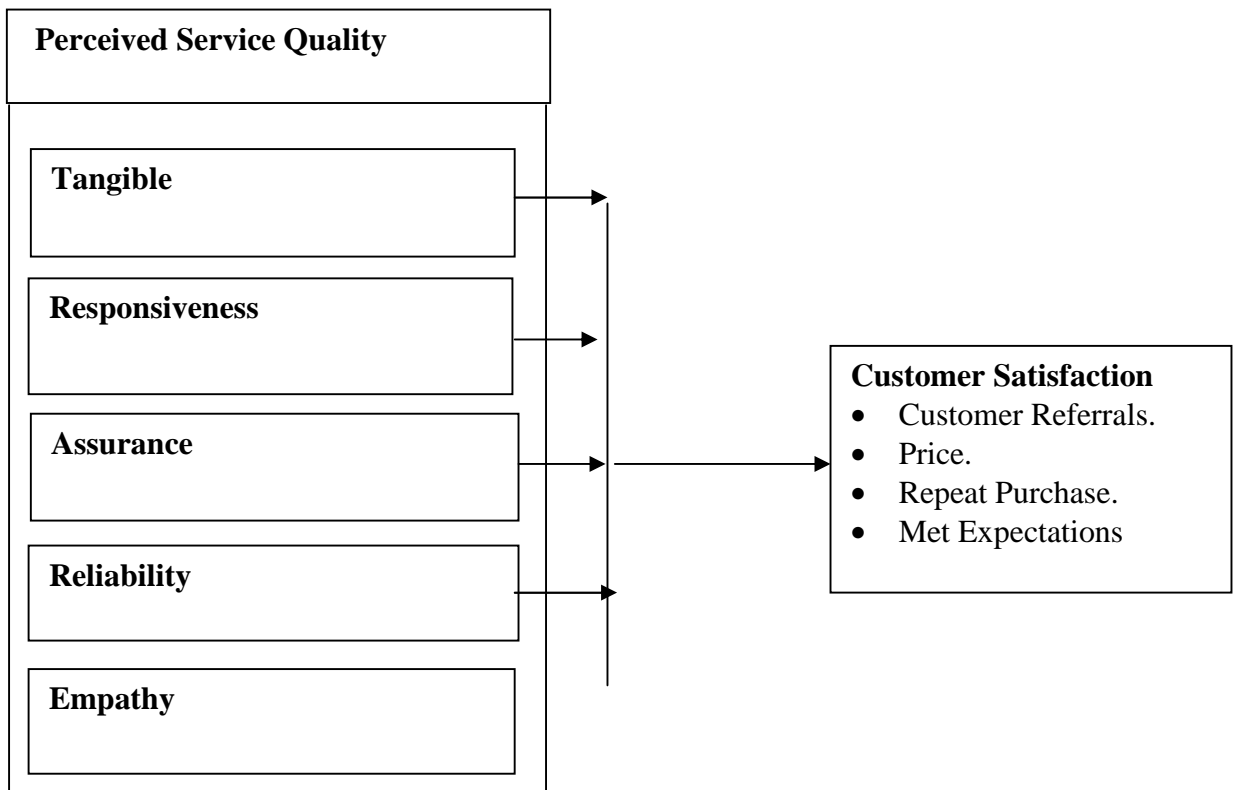


Figure 2.1. Conceptual Framework

Source: Own Compilation

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section encompasses the research methodology adopted with the aim of establishing perceptions of service quality and satisfaction among shoppers of supermarkets in Nairobi County. It comprises of the study design, study population, sampling design and procedure, collection of data and evaluation.

3.2 Research Design

A descriptive methodology was embraced was deemed most appropriate since the study objective was to establish the PSQ and customer satisfaction of supermarkets in Nairobi County.

3.3 Target Population

Shoppers who visited supermarkets in Nairobi County were targeted. The population of Nairobi County is currently 3.6 million (NCC, 2017) and has a total of 125 supermarkets (NCC, 2017).

3.4 Sample Design

According to Kothari (2009) when the target population is more than 10,000 participants the formula below can be used to calculate the sample population, “n” is sample population when study population is greater than 10000, “z” is the value for normal distribution which is 1.9, “p” is the population proportion assuming 50% successes from

past studies, “q” is 1-p and “e” is the level of significance or error, which will be 5% in this case.

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

$$n = \frac{1.96^2 * 0.5 * 0.5}{0.05^2}$$

$$n = 384$$

Selection of a sample of supermarkets for the study was based on the stratified random sampling technique. A sample for the study using this technique was deemed fit due to the variations in the study population. The 125 supermarkets were divided into One-branch and Multi-branch strata based on the number of branches of the supermarket (see Appendix II). The study applied Yamane’s (1967) formula; $n = N / (1 + N(e)^2)$ to determine the size of the sample of supermarkets “n” is sample size, “N” is population size and “e” is precision level, which will be 10% in this case. The “One branch” and Multi-branch supermarkets were a total of 107 and 18 respectively and their sample sizes were 52 and 15 respectively. The sample supermarkets were randomly selected from each strata and respondents apportioned as shown in Table 3.4. Every 3rd shopper was selected for the study at the exit of the selected supermarkets until 84 and 300 questionnaires for the Multi-branch and One-branch strata were issued respectively.

Table 3:1. Number of Respondents

Type of Stratum	Number of Supermarket	Percentage %	Number of Respondents
One- Branch	52	78	300
Multi-Branch	15	22	84
Total	67	100 %	384

Source: Own Compilation

3.5 Data Collection

A questionnaire was used in this study to collect primary data and it captured information relating to the variables under study. The tool had three sections; section A captured the aim of study, general guidelines on the structure of questions and demographic profiles of the respondents. Section B captured questions which measured perceived service quality using a five point Likert scale where point 1 was “strongly disagree” and point 5 was “strongly agree” and section C also measured customer satisfaction using a five point Likert scale where point 1 was “strongly disagree” and point 5 was “strongly agree”. The questionnaires were administered at the exits of selected supermarkets.

3.6 Data Analysis and Presentation

To ascertain customer perceptions of quality of service and satisfaction, descriptive statistics was used to evaluate the primary data collected. Frequency tables, means and standard deviation were used to evaluate the data and the findings presented using bar graphs, tables and pie chart. The analysis of data included tallying up the answers, calculating percentages of variations in the answers provided, defining and interpreting the responses with the assistance of the Statistical Package for Social Sciences (SPSS

23.0). To determine the relationship between perceived service quality and customer satisfaction variables a regression analysis was run based on the model below. A correlation analysis using Pearson's Product Moment was used to determine the strength of this relationship. The regression model used was: $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon$; where Y = Customer Satisfaction, X_1 = Tangibility , X_2 = Responsivness , X_3 = Assurance, X_4 = Reliability and X_5 = Empathy . β_0 , β_1 , β_2 , β_3 , β_4 and β_5 are coefficients and ϵ is the error term.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

To realize the main objectives of the study, that is, to determine perceptions of service quality and customer satisfaction of supermarkets in Nairobi County, this section encompasses evaluation and explanation of the primary data based on objectives and discusses the results of the study.

4.2 Data Collection

The study targeted a total of 384 respondents; 300 and 84 questionnaires were issued to customers at the exits of selected One-branch and Multi-branch supermarkets in Nairobi County respectively. Every 3rd customer exiting a selected supermarket was issued with a questionnaire which was to be filled and returned before their departure.

4.3 Response Rate

The respondents returned an aggregate of 331 questionnaires out of the 384 that were issued, resulting in an average response rate of 83.9%. A response rate of more than 70% is considered to be acceptable for data analysis as proposed by Mugenda and Mugenda (1999).

Table 4.1: Response Rate

Type of Supermarket	Target Number of Questionnaires	Number of Returned Questionnaires	Response Rate %
One- Branch	300	264	88.00
Multi-Branch	84	67	79.76
Total	384	331	167.76
			83.9 %Average

Source: Research Data

4.4 Demographic Profile

The demographic profile of respondents was based on gender, age and length of period of shopping in the supermarket. The data analysis based on frequency distributions and percentages and was presented on a pie chart and bar graphs.

4.4.1 Respondent' Gender

To ensure that the findings were not prejudiced by gender disparity each respondent was required to specify his or her gender on the questionnaire and the findings presented on figure 4.1 below. As indicated 58% of the respondents were female and 42% were male.

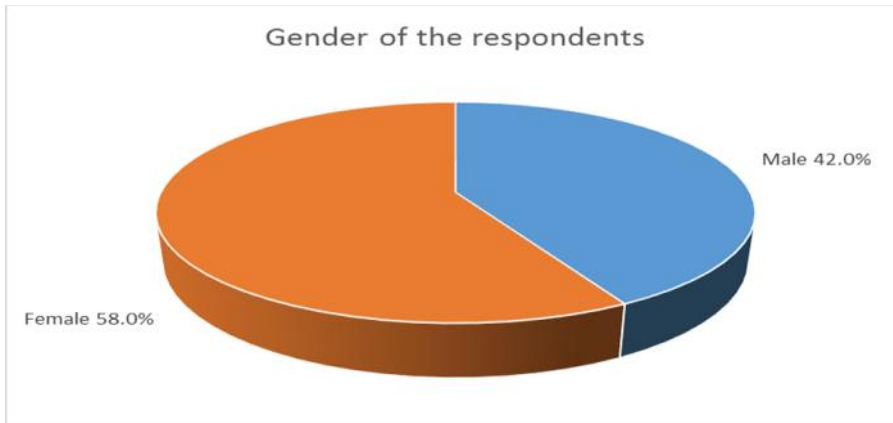


Figure 4.1: Respondents' Gender

4.4.2 Respondent's Age

Respondents were requested to select their age bracket in order to ascertain whether the findings were representative of all the age groups. The respondents' age groups were presented in figure 4.2 which indicates that 39.4% of the respondents were aged between 31 to 40 years, 24.2% between 18 to 30 years, 20.7% between 40 to 50 years and 15.7% above 50 years. This indicates that the study was inclusive of all the age groups with highest number of respondents aged between 31 and 40 years.

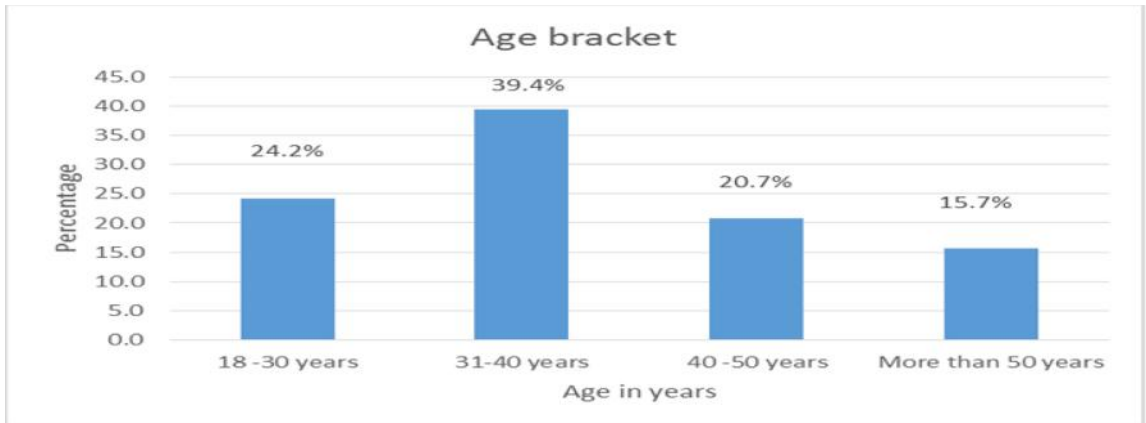


Figure 4.2: Age bracket

4.4.3 Shopping period

To determine how long the respondents had been making repeat purchases from the supermarket they were asked to indicate the length of time they had been shopping in that supermarket and the findings were presented in figure 4.3. As indicated 43.1% of the respondents had been shopping in the supermarket for a period of more than 2 years, 26.1% had been shopping for a period of 1 to 2 years, 18.4% had been shopping for a period of 3 months to 1 year and 12.5% had been shopping at the supermarket for a period of less than a month. This denotes that more of the respondents have been visiting the supermarkets for a period of more than two years.



Figure 4.3: Period of Shopping

4.5 Perceived Service Quality

To find out customer perceptions of SQ in supermarkets, each respondent was required to rate the level to which they were in agreement with statements on what they expected a supermarket to offer (Expectations) based on five dimensions of service quality (as discussed on 1.1.1). Each respondent was required to rate the level to which they were in agreement with statements on what their actual experience was at the supermarket they visited (Perceptions) based on the five dimensions.

The arithmetic mean scores and standard deviation for the 22 items on the SERVQUAL model were computed for both expectations and perceptions. The difference between the respondents' Perceptions (P) and Expectations (E), that is (P-E), mean scores were computed for each of the 22 items. The items on which respondents scored a mean of above 0.3 and a mean of below 0.3 indicates agreement and disagreement respectively. A standard deviation of 0.9 indicates a significant difference in perception and expectations scores. The computed mean scores and standard deviations for the 22 items on subdivided among the five dimensions on the SERVQUAL model are presented in the subsections that follow.

4.5.1 Tangibles

The tangibles dimension of perceived service quality measures the aspects of supermarket services that can be touched and seen. As indicated on Table 4.2 all parameters on this dimension indicate overall high expectation (4.131). “Materials related to the services have attractive designs” has the highest expectation (4.215) but the lowest perceptions (3.928) and a negative quality gap (0.287). This means that customers’ perceptions are very low. “Supermarket has modern layout and equipment of high standard” has the highest perceptions (4.221) and the highest quality gap (0.101), this means that customers’ perceptions high. Tangibles dimension has overall negative quality gap (-0.106), indicating that shoppers’ perception is very low.

Table 4.2 Customers’ Expectations and Perceptions on Tangibles Dimension

Criteria Statement	Expectations (E)		Perceptions (P)		Mean Quality Gap Score (P-E)
	Mean Score	Standard Deviation (Sd)	Mean Score	Standard Deviation (Sd)	
Supermarket has modern Layout and equipment of high standard	4.120	0.979	4.221	1.018	0.101
Employees are formally dressed and presentable	4.157	1.126	3.968	1.054	-0.189
Materials related to services have attractive designs	4.215	0.976	3.928	0.820	-0.287
Physical features and amenities have attractive designs	4.032	0.992	3.984	0.964	-0.048
Overall Mean Score	4.131	1.018	4.025	3.856	-0.106

Source: Research Data

4.5.2 Reliability

The reliability dimension measures how well employees relate with the customers. Table 4.3 indicates that the parameters on reliability have overall very high perception (4.223) than expectation (4.053). “Performs services right the first time” has the lowest (3.729) expectation but also has the highest positive quality gap (0.468) which indicates very high customers’ perceptions. “Keeps promises to deliver services by a certain time” has the highest expectation and also the lowest perception. Consequently, this parameter shows a negative quality gap score (-0.101) denoting very low customers’ perceptions. “Supermarket insists on error free records” indicates the highest perception (4.394) and also a positive quality gap (0.304), which means that customers experience high perceptions. Reliability dimension has very high customers’ perceptions as indicated by the positive quality gap (0.170).

Table 4.3 Customers' Expectations and Perceptions on Reliability Dimension

Criteria Statement	Expectations (E)		Perceptions (P)		Quality Gap Score (P-E)
	Mean Score	Standard Deviation (Sd)	Mean Score	Standard Deviation (Sd)	
Keep promises to deliver services by a certain time	4.237	1.101	4.136	1.118	-0.101
Supermarket provides services at the promised time	4.098	0.910	4.154	1.060	0.056
Shows sincerity in solving problems	4.112	1.028	4.234	1.077	0.122
Performs service right the first time	3.729	1.185	4.197	1.203	0.468
Supermarket insists on error free records	4.090	1.360	4.394	1.153	0.304
Overall Mean Score	4.053	1.117	4.223	1.122	0.170

Source: Research Data**4.5.3 Responsiveness**

The responsiveness dimension measures how well the supermarket employees respond to customer inquiries and complaints. Parameters on this dimension have overall low expectation (3.991) as compared to perceptions (4.341). Customers have very high perceptions for “employees inform customers exactly when a service will be done” (4,170). “Supermarket provides prompt services” has the highest perception (4.375) and also the highest positive quality gap (0.319), indicating that customers’ perceptions are very high. Responsiveness has very high shoppers’ perceptions as denoted by a high quality gap (0.350), this gap score is also the highest of all other dimensions.

Table 4.4 Customers' Expectations and Perceptions on Responsiveness Dimension

Criteria Statement	Expectations (E)		Perceptions (P)		Quality Gap Score (P-E)
	Mean Score	Standard Deviation (Sd)	Mean Score	Standard Deviation (Sd)	
Employees are never too busy to respond to inquiries	3.827	0.963	4.303	1.150	0.476
Supermarket provides prompt services	4.056	0.872	4.375	1.137	0.319
Employees are willing to help customers	3.910	0.817	4.335	1.141	0.425
Inform customers exactly when services will be done	4.170	1.091	4.351	1.122	0.181
Overall Mean Score	3.991	0.936	4.341	1.134	0.350

Source: Research Data

4.5.4 Assurance

The assurance dimension measures how much confidence the customer has in shopping at the supermarket. Table 4.5 shows that the parameters on this dimension have overall very high expectations (4.225) and higher perceptions (4.254), this means that customers' perceptions is very high. "Customers feel confident and safe doing their transactions" has the highest expectation (4.420) but has the lowest negative quality gap (-0.157), meaning that customers' perceptions is very low. Additionally, "employees are knowledgeable in products and address customer inquiries" also has low customers' perceptions as denoted by a negative quality gap (-0.173), this means that this parameter also fails to meet customers' expectations. Assurance barely exceeds customers' expectations as denoted by a very small quality gap (0.029).

Table 4.5 Customers' Expectations and Perceptions on Assurance Dimension

Criteria Statement	Expectations (E)		Perceptions (P)		Quality Gap Score (P-E)
	Mean Score	Standard Deviation (Sd)	Mean Score	Standard Deviation (Sd)	
Employees instill confidence in customers	4.082	1.012	4.178	1.059	0.096
Employees are consistently polite and courteous	4.032	0.916	4.380	1.124	0.348
Employees are knowledgeable in products and address inquiries	4.367	1.117	4.194	1.228	-0.173
Customers feel confident and safe doing their transactions	4.420	1.182	4.263	1.031	-0.157
Overall Mean Score	4.225	1.057	4.254	1.111	0.029

Source: Research Data

4.5.5 Empathy

Parameters on the empathy dimension as shown on Table 4.6 denote overall high expectation (4.216) and very high perceptions (4.347), meaning that customers' expectations are exceeded. "Supermarket gives individualized attention" has the highest expectation (4.314), highest perception (4.452) and a positive quality gap (0.138), denoting that customers' perceptions is very high. "Employees have customer's interest at heart" has the highest expectation (4.420) but the lowest perception (4.258) and a negative quality gap (-0.162). This parameter thus has very low customers' perceptions. Empathy highly exceeds customers' expectations and therefore has high customers' perceptions as denoted by a positive quality gap (0.131).

Table 4.6 Customers' Expectations and Perceptions on Empathy Dimension

Criteria Statement	Expectations (E)		Perceptions (P)		Quality Gap Score (P-E)
	Mean Score	Standard Deviation (Sd)	Mean Score	Standard Deviation (Sd)	
Supermarket gives individualized attention	4.314	1.069	4.452	1.205	0.138
Employees have customer interest at heart	4.420	1.189	4.258	1.146	-0.162
Employees give personalized services	4.122	1.111	4.322	1.123	0.200
Supermarket's operating hours are convenient	4.128	0.920	4.418	1.181	0.290
Employees understand specific needs of their customers	4.098	0.946	4.287	1.106	0.189
Overall Mean Score	4.216	1.047	4.347	1.152	0.131

Source: Research Data

4.6 Customer Satisfaction

To determine whether customers are satisfied with services offered in the supermarkets they visited, each respondent was required to rate the level to which they were in agreement with statements which reflected their levels of satisfaction. Table 4.7 denotes that customer satisfaction in supermarkets is very high (4.428). Customers strongly agree that they are generally satisfied with services in the supermarkets they visit (4.356) and that the supermarkets meet their overall expectations (4.213). They also agree that they intend to continue shopping in the supermarkets (4.008) and they would recommend the supermarkets to their family/friends/colleagues (4.077). However, customers' intentions

to continue shopping in the same supermarket has the lowest agreement score of all the parameters (4.008).

Table 4.7: Customer Satisfaction

Statement	Mean	S.d
I am very satisfied with the price of products offered in the supermarket	4.428	1.161
I am generally satisfied shopping in this supermarket.	4.356	1.158
This supermarket meets my overall expectations	4.213	1.057
I intend to continue shopping in this supermarket	4.008	1.002
I would recommend this supermarket to my family/friends/colleagues.	4.077	1.101
Overall Mean Score	4.216	1.096

Source: Research Data

4.7 Perceived Service Quality and Customer Satisfaction

In this section the regression model was used to determine the association of the predictor variable; perceived service quality with the contingent variable; customer satisfaction.

Pearson’s Product Moment was used to determine the strength of this relationship and the level of the significant influence of the predictor variables on the conditional variable was explored using ANOVA, regression and coefficient analysis. Tables 4.8, 4.9 and 4.10 indicate the regression model analysis, ANOVA and coefficient analysis respectively.

Table 4.8: Model Summary

Model	R	R Square ^b	Adjusted R Square	Std. Error of the Estimate
1	0.898a	0.806	0.7951	0.001

The results in Table 4.8 indicate a positive association of the five predictor variables with customer satisfaction (R= 0.898). The coefficient of determination, “R Square”, implies that 0.806 or 80.6% of customer satisfaction can be attributed to tangibles, reliability, responsiveness, assurance and empathy. This means that 19.4% of customer satisfaction is attributed to other factors not included in the regression model. The Analysis of variance (ANOVA) was used to help in computing the significance of the regression model for the collected data. The results as shown on Table 4.9 denote that there is a significant goodness of fit of the regression model for the collected data. This is indicated by the high F-statistics value ($F_{Cal} = 82.975 > F_{Cri} = 4.123$) at confidence level of 95 % and the values are also statistically significant ($P=0.000 < 0.05$).

Table 4.9: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18.826	69	4.707	82.975	.000 ^a
	Residual	36.232	1	.647		
	Total	55.058	70			

Source : Research Data

As indicated on Table 4.10 the constant value of 0.547 represents the predicted value of customer satisfaction when all the variables are at zero presence (constant). This implies that when all variables are at a constant or zero presence, customer satisfaction will be at a level of 0.547. The regression model that resulted from the above is: $Y = 0.547 + 0.695X_1 + 0.636X_2 + 0.598X_3 + 0.228X_4 + 0.542X_5 + \dots$

As presented on Table 4.10 tangibles has the highest significant influence on customer satisfaction ($\beta_1 = 0.695$). This implies that a unit change in tangibles would result in a 69.5% change in customer satisfaction. Tangibles is closely followed by reliability ($\beta_2 = 0.636$), responsiveness ($\beta_3 = 0.598$) and empathy ($\beta_5 = 0.542$) in that order. All the values are statistically significant ($p < 0.05$). In retrospect, assurance has no significant influence on customer satisfaction ($\beta_4 = 0.228$), and this value is also not statistically significant ($p = 0.082 > 0.05$).

Table 4.10: Coefficient Analysis

Co-efficient Model		Unstandardized Coefficients		Standardized Coefficients		
			Std. Error	Beta	T	Sig.
1	(Constant)	0.547	0.172		2.522	0.015
	Tangibles	0.695	0.211	0.563	3.882	0.001
	Reliability	0.636	0.128	0.653	2.124	0.008
	Responsiveness	0.598	0.4205	0.612	3.304	0.002
	Assurance	0.228	0.166	0.134	4.124	0.082
	Empathy	0.542	0.824	0.353	2.624	0.008

Source : Research Data

To determine the strength of the correlation of the predictor variable and the contingent variable the Pearson Product Moment correlation analysis was applied. The results on Table 4.11 indicate that reliability ($r = 0.785$), tangibles ($r = 0.723$), assurance ($r = 0.682$) and empathy ($r = 0.616$) all have a strong and positive correlation with customer satisfaction as indicated by high “r” values. On the other hand, responsiveness has a weak but positive correlation with customer satisfaction ($r = 0.472$) and results show that all “r” values are statistically significant ($p < 0.05$) at 95% confidence level.

Table 4.11: Pearson Correlation Results

		Customer satisfacti	Tangibl es	Reliabili ty	Responsiven ess	Assuran ce	Empat hy
Tangibles	Pearson	.723(*)	1				
	Sig. (2- tailed)	.002	.043				
	N	376	376				
Reliability	Pearson	.785(*)	.864(*)	1			
	Sig. (2- tailed)	.04	.04	0.04			
	N	376	376	376			
Responsiven ess	Pearson	.472(*)	.604(*)	.390(*)	1		
	Sig. (2- tailed)	.001	.001	.004			
	N	376	376	376	376		
Assurance	Pearson	.682(*)	.733(*)	.502(*)	.350(*)	1	
	Sig. (2- tailed)	.002	.002	.02	.02		
	N	376	376	376	376	376	
Empathy	Pearson	.616(*)	-.008	-.237	.638**	.093	1
	Sig. (2- tailed)	.003	.965	.170	.000	.597	
	N	376	376	376	376	376	376

** Correlation is significant at the 0.01 level (2-tailed)

* Correlation is significant at the 0.05 level (2-tailed).

Source : Research Data

4.8 Discussion

Both genders were almost equally represented in this study with a slightly higher number of female respondents than male. Respondents from all age groups were involved in the study hence the results were not biased on age; however, the number of respondents between the ages of 30 and 40 was higher than any other age group. Most shoppers had

been doing their shopping at the supermarket for a period of more than two years, hence were well suited to give credible data for this study. This may also indicate that most of the respondents are satisfied with services offered in the stores they visit.

To establish shoppers' perception of service quality of supermarkets in Nairobi County, the difference between their expectations and perceptions mean scores were computed. The results indicate that their expectation of service quality in a supermarket on a scale of 1-5 is 4.124. This is very high considering that the score falls above average on the scale. Parasuraman et al. (1988) posit that customers will often have high expectations of the quality of service than perceptions. Assurance has been rated highest (4.225) in shoppers' expectation, whereas responsiveness has been rated lowest (3.991) on a scale of 1-5. This is indicative of the importance of assurance in influencing customers' perception of service quality in a supermarket.

Overall, shoppers' perceptions of quality of services in supermarkets is higher (4.242) than their expectations (4.124). This implies that on a scale of 1-5, customers' perceptions of services quality in supermarkets in Nairobi County is very high. This is also denoted by the positive overall gap (0.131). Empathy is the highest ranked (4.347) dimension on perceptions, meaning that shoppers of supermarkets in Nairobi County experience very high perceptions of empathy than what they desire. Tangibles dimension is the lowest ranked (4.025) on perceptions, though the score is still above average. Accordingly, supermarkets should greatly invest in quality products, a wide range of products, attractively designed facilities and materials and professionally designed employee attire and grooming.

Parasuraman et al. (1985) argue that high perceptions of service quality result in increased customer satisfaction. Several authors (Savaranan & Rao, 2007; Lee et al., 2000) also support this view. On a scale of 1-5, overall customer satisfaction was highly ranked (4.216); this indicates that shoppers are highly satisfied with the services offered in supermarkets in Nairobi County. Customers also rated product price as highly satisfying (4.428) of the five parameter of customer satisfaction. Tangibles dimensions is the highest significant predictor of customer satisfaction ($\beta_1 = 0.695$). These results complement a study by Mahfooz (2014) in Saudi Arabia. Tangibles is followed by reliability ($\beta_2 = 0.636$), responsiveness ($\beta_3 = 0.598$) and empathy ($\beta_5 = 0.542$). This implies that customer satisfaction of supermarkets in Nairobi County is greatly influenced by high levels of tangibles, reliability, responsiveness and empathy.

Assurance has no significant influence ($\beta_4 = 22.8\%$ and $p > 0.05$) on customer satisfaction, as was also found in a study by Mwangi (2014). This means that aspects of tangibles dimension such as product variety, product quality, attractively designed and state of the art equipment are highly valued by shoppers in Nairobi County and as such greatly determine their level of perception of service quality. Assurance does not predict customer satisfaction probably because of the self-service nature of supermarkets where shoppers rarely interact with employees unless it is necessary and is usually for very short periods of time and for simple inquiries such as location of a product.

Supermarkets should focus their competitive strategies on provision of variety of quality products, proper aisle arrangement for ease of location of products, professionally dressed staff, state of the art service equipment, modern interior fixtures and ample

parking space. Notwithstanding, supermarkets should concentrate their competitive efforts on attributes that facilitate reliability, responsiveness and empathy such as continuous employee training on customer experience, investment on state of the art technology, inventory management, benchmarking and quality management to foster an overall high customer satisfaction.

When all five dimensions of perceived service quality are analyzed based on standardized beta coefficients, reliability dimensions has the highest significant influence on customer satisfaction because a unit standard deviation change in the dimension is likely to result in 0.653 standard deviation change in customer satisfaction, when all variables in the regression model are constant. This finding supports those in studies by Reza and Barua (2016) and Weerasiri (2013) in Bangladesh and Sri Lanka respectively. This is closely followed by responsiveness (0.612), tangibles (0.563), empathy (0.353) and assurance (0.134).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In line with the objectives of the study; to determine customer perceptions of service quality and satisfaction of supermarkets in Nairobi County, this section summarizes the findings, provides conclusion of findings, and recommends improvements for retailing practice and gaps for future research.

5.2 Summary of the Findings

To answer the first objective of the study, that is to determine perceptions of service quality among customers of supermarkets in Nairobi County, the findings revealed that shoppers of supermarkets in Nairobi County expect very high levels of services. It is noted that these supermarkets recognize their customers' expectations and may have in place programs and resources to facilitate delivery of aspects of the five dimensions of service quality. This is evident from that fact that customers rated all the five dimensions of perceived service quality. Surprisingly, the actual quality of services experienced by shoppers highly exceeds their expectations. It is clear that supermarkets still lack in providing very high perceptions of service quality and customer satisfaction and must double up their efforts to gain greater levels of SQP and satisfaction of customers.

Shoppers' high expectations for the tangibles dimension was not met and resulted in the lowest ranked levels of perceptions of service quality. Empathy highly exceeded shoppers' expectations and resulted in high levels of perception. To achieve overall high

levels of perceptions supermarket should invest on aspect of tangibles such as quality and variety of products, aesthetic value of facilities and materials and employee attire and grooming. Training on effective complaint handling and product knowledge should also be paramount to improve on aspects of empathy (such as “employees show they have customers’ interest at heart”), assurance (such as “employees are knowledgeable in products and handle inquiries efficiently”) and reliability (such as “employees keep promises of doing something by a certain time”). Supermarkets must also invest in technology that effectively processes transactions and securely transmits and stores customer details. Supermarket employees must also be trained on handling customer personal and transactional details in a professional and secure manner. Nevertheless, all aspects of all dimensions must also be improved to attain overall greater levels of perceived quality of service and customer satisfaction.

The second objective was to determine whether customers of supermarkets in Nairobi County are satisfied with the services offered based on five parameters of customer satisfaction. The findings revealed that shoppers are highly satisfied with the overall quality of services offered in supermarkets. Price of products attained the highest rating as the most highly satisfying aspect of customer satisfaction. Supermarkets should therefore maintain a proper ratio of product quality and price in order to achieve higher customer satisfaction levels. It should be noted by supermarket owners that customers’ intention to continue shopping in the stores was ranked lowest, albeit still above the average score. This may be as a result of other competitive brands that offer similar products and services. Supermarket owners must therefore strive to attain a competitive advantage by improving on tangibles and personnel aspects of service quality. The results

indicate that shoppers' satisfaction of supermarkets in Nairobi County is greatly influenced by tangibles, reliability, responsiveness and empathy in that order. Tangibles dimension was found to have the highest influence of shoppers' satisfaction levels. The third objective was to establish whether there is a relationship between predictor variables and contingent variable. It was found that a strong positive correlation exists between the two variables.

5.3 Conclusion

The quality of services offered in supermarkets in Nairobi County is generally higher than what the shoppers expect. However, stores should establish programs that will improve on the overall shoppers' perception of the tangible dimension which has a very low perception of quality of service. Supermarkets should also focus on improving aspects of all other dimensions in order to attain higher levels of perceptions of quality of service. The price of products is rated highest by shoppers as the most satisfying indicator of customer satisfaction in the supermarkets. In addition, customers are generally satisfied with the services offered in supermarkets in Nairobi County.

Tangibles dimension has the highest influence on customer satisfaction with a significant level of whereas assurance has no significant influence of customer satisfaction Supermarket can use the SERVQUAL scale to determine the aspects of service quality that require improvement by focusing on dimensions that attain large gap scores, negative gap scores, high expectations and low perceptions. Supermarket may use the SERVQUAL tool to determine the aspects of service quality that require improvement by

focusing on dimensions that attain large gap scores, negative gap scores, high expectations and low perceptions.

5.4 Recommendations

Supermarket management should adopt the SERVQUAL scale to determine the aspects of service quality that require improvement by focusing on dimensions that attain negative gap scores, small positive gap scores, high expectations and low perceptions. This would enable supermarkets to focus their resources on programs (such as continuous employee training on customer experience, investment on state of the art equipment, inventory management, benchmarking and quality management) which continuously improve on these dimensions. Supermarkets should invest in modern supply and inventory management systems that will improve on the efficiency of availing products in the right quality and quantity.

The management should foster partnerships with supply chains that are reputable in supplying cheap, reliable and high quality products to ensure that there the inventory is efficiently managed to improve on customer perceptions and satisfaction. The management should also maintain a proper ratio of product quality and price in order to achieve higher customer satisfaction levels. Training on effective complaint handling and product knowledge should also be paramount to improve on aspects of empathy, assurance and reliability. Supermarkets must also invest in technology that effectively processes transactions and securely transmits and stores customer details. Supermarket employees must also be trained on handling customer personal and transactional details in a professional and secure manner

5.5 Limitations of the Study

Findings of the study may not be generalized to different geographical regions because the study was restricted in Nairobi County and different geographical regions may exhibit different findings. Due to limited time a sample representation of the target population was studied, thus significantly limiting inferential of the findings to the population. Since respondents were selected at the exits of supermarkets, that data may have been biased since most of them filled the questionnaire hurriedly. This was probably due to the heavy shopping bags, inappropriate location (the exits of supermarkets) and time (questionnaires were mostly issued in the evenings during the weekdays and afternoons during the weekends) when shoppers may have been emotionally and physically fatigued. The questionnaire was also too lengthy and contained many questions relating to customer expectations, perceptions and satisfaction.

5.6 Suggestions for Further Research

The objectives of the study should be replicated in other geographical regions in Kenya using both the SERVQUAL and other service quality models such as SERVPERF and Retail Service Quality scale. The results should be compared with those of this study and other closely related studies done in Kenya to determine similarities and differences so as to construct the best model to use in measuring perceived service quality of supermarkets in Kenya.

REFERENCES

- Affiaine, A., & Zalina, S. (2008). "An Assessment on Service Quality in Malaysia Insurance Industry", *Communications of the IBIMA*, 1 (8), 34-43.
- Ananth, A., Ramesh, R. & Prabakaran, B. (2011) Service Quality GAP Analysis in Private Sector Banks A Customer Perspective, *Internationally Indexed Journal*, 2(1), 245-252.
- Arun, K.G., Manjunath, S.J., & Thimmaiah, A. (2012). "Service quality in supermarkets: A study of consumers' satisfaction in Apparel retailing", *Journal of Business and Management*, 1(5), 49-53.
- Auka, D.O., Bosire, J.N., & Matern, V. (2013). "Perceived service quality and customer loyalty in retail banking in Kenya", *British Journal of Marketing Studies*, 1(3), 32-61.
- Beneke, J., Hayworth, C., Hobson, R., & Mia, Z. (2012). "Examining the effect of retail service quality dimensions on customer satisfaction and loyalty: The case of the supermarket shopper", *International Journal of Event Management Research*, 5(1), 27-37.
- Berry, L.L., Parasuraman, A. & Zeithaml, V.A. (1988). "The service quality puzzle, Business corporate banking". *International journal of bank marketing*, 305-327.
- Bojanic, D. (1991). "Quality measurement in professional service firms", *Journal of Professional Services Marketing*, 7, 27-30.
- Brady, M. K. & Cronin, J. Jr. (2001). "Some new thoughts on conceptualising perceived service quality", *A hierarchical approach, Journal of Marketing*, 65, 34-49.
- Buttle, F. (1996). "SERVQUAL; review, critique, research agenda", *European Journal of Marketing*, 30(1), 8-32.
- Carman, J.M. (1990). "Consumer perceptions of service quality: an assessment of the SERVQUAL dimensions", *Journal of Retailing*, 66 (1), 33-55.
- Cresswell, J.(2003), *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 2nd edition, Sage Publication.
- Dabholkar, P.A., Thorpe, D.I., & Rentz, J.O. (1996). "A measure of service quality for retail stores: scale development and validation", *Journal of the Academy of Marketing Science*, 24, 3-16.

- Daniel, C.N. & Berinyuy, L.P. (2010). "Using the SERVQUAL model to assess service quality and customer satisfaction". An empirical study of grocery stores in Umea", Unpublished *Masters research project, Umea University*.
- Dheepa T., & Karthikeyan, P.(2015),"Customers' perceived quality of departmental stores; An empirical investigation", *International Journal of Management Researc & Review*, 5(7), 535-545.
- Dick, A. S. & Basu, K., (1994), "Customer Loyalty: Toward and Integrated Conceptual Framework", *Journal of the Academy of Marketing Science*, 22(2), 93-113.
- Eklof, J.A., & Westlund, A.H. (2002). "The pan-European customer satisfaction index programme-current work and the way ahead", *Total Quality Management*, 13(8), 1099-1106.
- Ennew, C. T., & Bink, M. R. (1999). "The Impact of Participative Service Relationships on Quality, Satisfaction and Retention: An Exploratory Study". *Journal of Business Research*, 46, 121-132.
- Euromonitor International (2016). *Research report on Grocery Retailer in Kenya*. Retrieved from <http://www.euromonitor.com/grocery-retailers-in-kenya/report>, on 11th August 2017.
- Festinger, L. (1957), *A Theory of Cognitive Dissonance*. Stanford CA: Stanford University Press.
- Fornell, C. (1992). "A National Customer Satisfaction Barometer: The Swedish Experience", *Journal of Marketing*, 56, 1–18. Forsythe, P. (2015). "Monitoring customer perceived service quality and satisfaction during the construction process", *Unpublished research project, University of Technology Sydney, Australia*.
- Gronroos, C. (1982). "A service quality model and its' marketing implications", *European Journal of Marketing*, 18(4), 36-44.
- Gronroos, C., (1984), "A Service Quality Model and its Marketing Implications", *European Journal of Marketing*, 18, 35-44.
- Imbuga, D. (2005). "Determinants of customer satisfaction in supermarkets in Nairobi", *Unpublished MBA research project, University of Nairobi*.
- Ismail, I.M. (2013). "Effects of the increase of supermarkets on vegetable supply system of small-scale farmers in Kenya, *Unpublished Masters research project, Jomo Kenyatta University of Agriculture and Technology*.

- Karanja P, (2012) “Strategic responses to competition by medium and large supermarkets in Nairobi, Kenya”, *Unpublished MBA research project, University of Nairobi*.
- Kariuki, M.N. (2015) “The impact of brand image on customer satisfaction in major supermarkets in Nairobi County”, *Unpublished MBA research project, University of Nairobi*.
- Kenya Business List Directory (2017) “*Supermarkets in Nairobi, Kenya*”. Retrieved from <https://www.businesslist.co.ke/kenya-business-search>, on 9th October 2017
- Kibuchi, M.M., Marwa, M., & Letting N. (2015). “An analysis of challenges facing major supermarkets that emanate from the changing environment: A case of Kenya large cities”, *Journal of Business Management and Economics*, 3(4).
- Kim, S., & Jin, B. (2001). “An evaluation of the retail service quality scale for US, Korean customers of discount stores”, *Advances of Consumer Research*, 28, 169-76.
- Kimani, S.W., Kagira, E.K., Kendi L., & Wawire C.M. (2012). “Shoppers Perception of Retail Service Quality: Supermarkets versus Small Convenience Shops (Dukas) In Kenya”, *Journal of Management and Strategy*, 3(1), 57-60.
- Kothari, C.R. (2004), *Research Methodology-Methods and Techniques*, second revised edition, New Delhi, New Age International Publishers.
- Kotler, P, & Kelvin, K. (2006). *Marketing Management. 12th Ed.*, New Jersey: Pearson Education Inc.
- Kotler, P., Adam, S., Denize, S., & Armstrong, G. (2009). “*Principles of Marketing 4th Ed*”, Pearson Education Australia, 625.
- Kumar, M., Kee, F. T., & Manshor, A. T. (2009). “*Determining the relative importance of critical factors in delivering service quality of banks: an application of dominance analysis in SERVQUAL model*”. *Managing Service Quality*, 19(2), 211-228.
- Kumar, P. (2016). “Store quality, customers’ satisfaction and loyalty: A study on retail formats in India”, *International Journal of Management and Business Studies*, 6(4), 31-38.
- Lee, H., Lee, Y. & Yoo, D. (2000). “The determinants of perceived service quality and its relationship with satisfaction”, *Journal of Service Marketing*, 14(3), 217-231.
- Magi, A. & Julander, C. R. (1996). “Perceived service quality and customer satisfaction in a store performance framework. An empirical study of Swedish grocery retailers”, *Journal of Retailing and consumer services*, 3(1), 33-41.

- Mistri, V.M., & Bhatt, N.H. (2013). "Retail store and service quality: A study of hypermarkets in Ahmedabad city", *Pacific Business Review International*, 6(4), 59-65.
- Mugenda ,A.G., & Mugenda, O.M. (2003). *Research Methods, Quantitative and Qualitative Approaches*. Nairobi: African Centre for Technology Studies.
- Mutua, S.W. (2013). "A survey into factors that influence customer satisfaction in supermarkets within Nakuru town, Kenya", *Unpublished MBA research project, University of Nairobi*.
- Nairobi City County (2017). <http://www.nairobi.go.ke/home/explore-nairobi> retrieved on 11th August 2017.
- National Business Research Institute (2009). *Survey report on how to measure customer satisfaction*. Retrieved from <https://www.nbrii.com/customer-survey-white-papers/why-and-how-to-measure-customer-satisfaction/>, on 18th August 2017.
- Negi, R. (2009). "Determining customer satisfaction through perceived service quality: A study of Ethiopian mobile users", *International Journal of Mobile Marketing*; 4(1), 31-38.
- Neven, D., Reardon, T., Chege, J.,& Wang, H. (2006). "Supermarkets and consumers in Africa: The case of Nairobi, Kenya", *Journal of International Food and Agribusiness Marketing*, 18(2), 103-123.
- Nguyen, D., & Le Nguyen, H. (2007). "Determinants of retail service quality: A study of Supermarkets in Vietnam". *TAP CHI PHAT TRIEN KH&CN, TAP 10, SO*.
- Nhat, N.D.D., & Hau, L.N. (2007). "Determinants of retail service quality; A study of supermarkets in Vietnam", *Science and Technology Development*, 10(8), 15-23.
- Oanda, D.M. (2015). "Service quality dimensions and customer satisfaction in Barclays bank of Kenya", *Unpublished MBA research project, University of Nairobi*.
- Ojo, O. (2008). "The relationship between service quality and customer satisfaction in the telecommunication industry: Evidence from Nigeria", *Broad Research in Accounting, Negotiation and Distribution*, 1(1), 88-100.
- Oliver, R. L. (1999). Whence consumer loyalty? *Journal of Marketing*, 63(4), 33–44.
- Othman, A. & Owen, L. (2001). "Developing an instrument to measure customer service quality SQ in Islamic banking", *International Journal of Islamic Finance Service*, 30(1), 1-26.

- Otu, W., Appah, E. E., & Botchway, E. A. (2012). "Assessment of customer expectations and perceptions of service quality and delivery in Ghana commercial bank", *Unpublished Masters research project, Methodist University Collage, Accra, Ghana*.
- Owuor, V.A., & Waiganjo, E. (2014). "Factors affecting customer satisfaction in retail chains in Kenya: A case study of Nairobi Defense Forces canteen", *International Journal of Business and Law Research*, 2(4), 73-87.
- Panteloukas, G., Asopo, A.M.E, & Buwagi, R. (2012). "A review of perceived service quality: An empirical investigation of grocery stores' customers in Vaxjo, Sweden", *Unpublished BA research project, Linnaeus University*.
- Parasuraman, A., Zeithaml, V. & Berry, L. (1985). "A conceptual model of service quality and its implications for future research", *Journal of Marketing*, 49(4), 41-50.
- Parasuraman, A., Zeithaml, V. & Berry, L. (1988). "SERVQUAL – a multiple item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, 64(1), 12-40.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, 64(1), 12-40.
- Perera, N.C. (2003). "Measuring service quality in developing retail strategies for supermarkets in Sri Lanka", *Unpublished MBA research project, University of Sri Jayewardenepura*.
- Rashid, A., & Rokade, V. (2015), "Retail service quality dimensions in food and grocery segment: A review", *International Journal of Science and Research*, 5(12), 1,808-1,814.
- Reichheld, F.(2003), *The One Number You Need to Grow*, Harvard Business Review, December 2003.
- Saravanan, R., & Rao, K. S. P. (2007). "Measurement of service quality from the customer's perspective: An empirical study", *Total Quality Management*, 18(4), 435-449.
- Suuroja, M. (2003), "Service Quality - Main Conceptualizations and Critique", *Unpublished research project, University of Tartu*.
- Tan, Q., Oriande, A., & Fallon, P. (2014). "Service quality and customer satisfaction in Chinese fast food sector", *An International Journal of Akdemiz University Tourism Faculty*, 2(1), 30-53.

- Teas, R. K. (1993). "Expectations, performance evaluation and consumers perceptions of quality", *Journal of Marketing*, 57(4), 1834.
- Tse, D.K., & Wilton, P.C. (1988). "Models of Consumer Satisfaction: An Extension", *Journal of Marketing Research*, 25, 204-212.
- Turel, O., & Serenko, A. (2004). "User Satisfaction with Mobile Services in Canada", *Proceedings of the Third International Conference on Mobile Business, M-Business*.
- Whiegar, J.B. (2012). "Green logistics practices among supermarkets in Nairobi, Kenya", *Unpublished MBA research project, University of Nairobi*.
- Wicks, A.M., & Roethlein, C. J. (2009). "A Satisfaction-Based Definition of Quality", *Journal of Business & Economic Studies*, 15(1), 82-97.
- Yamane, T. (1967). *Statistics: An Introductory Analysis*, 2nd Ed., New York: Harper and Row.
- Yang, Z., & Fang, X. (2004). "Online service quality dimensions and their relationships with satisfaction: A content analysis of customer reviews of securities brokerage services", *International Journal of Service Industry Management*, 15(3), 302 – 326.
- Yi, Y. (1990). "A critical review of consumer satisfaction", in Zeithaml, V. (Ed.): *Review of Marketing*, 1990, American Marketing Association, Chicago, IL, 68-123.
- Zeithaml, A., Parasuraman, A., & Berry, L. (1990.) *Delivering Quality Service*, The Free Press, New York, N.Y.
- Zeithaml, V.A., & Bitner, M.J. (2000). *Services Marketing*. McGraw Hill, New York.

APPENDICES

APPENDIX I: QUESTIONNAIRE

I am a Business Administration student at the University of Nairobi carrying out a study on how customers perceive service quality of supermarket in Nairobi County. I would be very glad if you would participate in this study by answering the following questionnaire. Your views, opinions will only be used to compute percentages, proportions and average scores. The information you share be shall be confidential.

SECTION A: Demographic Information (Tick Where Appropriate)

1. What is your gender?

Male Female

2. In what age bracket do you fall?

18 - 30 31– 40

40 – 50 50 and above

3. For how long have been shopping in this supermarket?

Less than 1 month 3 Months to 1 years

1 years to 2 years More than 2 years

SECTION B: Perceived Service Quality

This section is divided into parts; expectations and perceptions. In the first part (Expectations), I am interested in knowing your opinion on the quality of service you expect from supermarkets you consider to have excellent services. In the second part

(Perceptions), I am interested in knowing how you feel about the quality of service you have received in this supermarket.

PART 1: EXPECTATIONS

Please circle the number that most accurately reflects how much you agree or disagree with the statements based on the services you expect in a supermarket you consider to have excellent quality of services using a scale of 1-5 where:

1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5= Strongly Agree.

A) Tangibles

Statement Criteria	1	2	3	4	5
1. Supermarkets will have modern layout and equipment of high standards.					
2. Employees will be formally dressed and presentable.					
3. The materials related to services such as computers, shelving units, shopping baskets/trolleys, information signs will have attractive designs					
4. The physical features and amenities in the supermarkets will be attractive					

B) Reliability

Statement Criteria	1	2	3	4	5
5. Supermarkets will honor their promise to deliver services by a certain time.					
6. Supermarkets will provide services at the promised time.					
7. Supermarkets will show a sincere interest in solving					

customer problems.					
8. Supermarkets will perform the services right the first time without mistakes.					
9. Supermarket will insists on error free records					

C) Responsiveness

Statement Criteria	1	2	3	4	5
10. Employees will never be too busy to respond to requests					
11. Employees will provide prompt services.					
12. Employees will always be willing to assist					
13. Employees inform customers exactly when the services will be done.					

D) Assurance

Statement Criteria	1	2	3	4	5
14. Employees in the supermarket will instils confidence customers					
15. Employees in the supermarket will be consistently polite and courteous with all customers					
16. Employees in the supermarket will be knowledgeable in the products and are able to appropriately address customer inquiries					
17. Customers will feel confident and safe doing transaction with the supermarket					

E) Empathy

Statement Criteria	1	2	3	4	5
18. Supermarkets will provide individualized attention.					
19. Employees will understand and have customers' interest at heart.					
20. Employees will provide personalized services					
21. The supermarkets' operating hours are convenient					

22. Employees understand customers' specific needs.					
---	--	--	--	--	--

PART 2: PERCEPTIONS

Please circle the number that most accurately reflects how much you agree or disagree with the statements based the actual service you received in the supermarket you have visited using a scale of 1-5 where:

1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5= Strongly Agree.

A) Tangibles

Statement Criteria	1	2	3	4	5
1. The supermarket has a modern layout and equipment of high standards.					
2. Employees are formally dressed and presentable.					
3. The materials related to services such as computers, shelving units, shopping baskets/trolleys, information signs are attractive.					
4. The physical features and amenities in the supermarket have attractive designs					

B) Reliability

Statement Criteria	1	2	3	4	5
5. The supermarket honors their promise to deliver services to you by a certain time.					
6. The supermarket provides you services at the promised time.					
7. The supermarket shows sincere interest in solving your problems.					
8. The supermarket performs services right the first time					

without mistakes.					
9. The supermarket insists on error free records					

C) Responsiveness

Statement Criteria	1	2	3	4	5
10. Employees are never too busy to respond to your requests					
11. Employees provide you with prompt services.					
12. Employees are always be willing to assist you					
13. Employees inform you exactly when the services will be done.					

D) Assurance

Statement Criteria	1	2	3	4	5
14. Employees instill confidence in you					
15. Employees are consistently polite and courteous with you					
16. Employees are knowledgeable in the products and appropriately address your inquiries					
17. You feel confident and safe doing transaction with the supermarket					

E) Empathy

Statement Criteria	1	2	3	4	5
18. The supermarket provides you with individualized attention.					
19. Employees understand and have your interest at heart.					
20. Employees provide personalized services to you					
21. The supermarket's operating hours are convenient to you					
22. Employees understand your specific needs.					

SECTION C: CUSTOMER SATISFACTION

This section is concerned with qualities that determine your level of satisfaction with the services you receive at the supermarket. Please respond to the statements below according to a scale of 1 to 5 where:

1 = Strongly Disagree, 2 = Disagree 3 = Neither Agree nor Disagree, 4= Agree, 5 = Strongly Agree.

Statement Criteria	1	2	3	4	5
I am very satisfied with the price of products offered in the supermarket					
I am generally satisfied shopping in this supermarket.					
This supermarket meets my overall expectations					
I intend to continue shopping in this supermarket					
I would recommend this supermarket to my family/friends/colleagues.					

THANK YOU FOR YOUR TIME.

APPENDIX II: LIST OF SUPERMARKETS IN NAIROBI COUNTY

NAME OF SUPERMARKET	NO. OF BRANCHES
1. Jeska Supermarket Ltd	1
2. Acacia Supermarket Ltd	1
3. Aflose Supermarket Ltd	1
4. Armed Forces Canteen Organization	1
5. Asante supermarket	1
6. Banshi Supermarket	1
7. Beatex Mini Supermarket & Cereal store	1
8. Betccam Savers Supermarket	1
9. Binka Supermarket	1
10. Budget supermarket	2
11. Builders Supermarket	1
12. Carrefour	2
13. Chandarana Supermarkets	9
14. Choppies	1
15. City Mattresses Ltd	1
16. Clean Way Ltd	1
17. Cleanshelf supermarket	2
18. Colimor Lane	1
19. Continental Supermarket Ltd	1
20. Cream Mart	1
21. Daily Basket	1
22. Dan supermarket	1
23. Dimples supermarket ltd	1
24. Eagles Supermarket	1
25. East Matt	4
26. Eastleigh Mattresses Ltd	3
27. Easy Matt	1

28. Ebrahim & Co Ltd	1
29. Elipa	1
30. Esajo Supermarket	1
31. Fair Price Supermarket	1
32. Fairdeal Shop & Save Ltd	1
33. Fourty Six Supermarket	1
34. Gakenia	1
35. Galmart Supermarket	1
36. Game Store	1
37. General Foods (Kenya) Ltd	1
38. Gigiri Supermarket Ltd	1
39. G-mart	3
40. Green Valley supermarket	1
41. Greenmart supermarket	1
42. Happy Valley Supermarket Ltd	1
43. Home Depo	1
44. Homematt	1
45. Horizon Ivato Supermarket (K) Ltd	1
46. Horyal supermarket	1
47. Jacknice supermarket	2
48. Jacmil Mega Supermarket	1
49. Jaharis	1
50. Janamu Supermarket	1
51. Janlem	1
52. Jikomart	1
53. Jopampa Provision Store	1
54. Jossics Suprmarket	1
55. K & A Self Selection Store Ltd	1
56. Kaaga Mini Market Ltd	1
57. Kahawa Valley supermarket	1

58. Kalimoni Greens	1
59. Kalumos Trading Co Ltd	1
60. Kamindi Self Service Store	1
61. Kangemi	1
62. Karia	1
63. Kass mart	3
64. Kikuyu Selfridges Supermarket	1
65. Koma Rock/Kayole Rd, Nairobi	1
66. Lango supermarket	1
67. Leestar Supermarket	1
68. Lumumba Drive Supermarket	1
69. Marketways Ltd	1
70. Mathai Supermarket	1
71. Mesora supermarket ltd	1
72. Mesora Supermarket Ltd	1
73. Metro Cash & Carry (K) Ltd	1
74. Muthaiga Mini Market Ltd	1
75. Nabuto supermarket	1
76. Nafuu supermarket	1
77. Nairobi matt	2
78. Naivas Ltd	13
79. Naks Supermarket	1
80. Nakumatt Holdings Ltd	14
81. New italycor	1
82. New Leems supermarket	1
83. New Westlands Stores Ltd	1
84. Ngemi supermarket	1
85. On The Way Supermarket	1
86. PBK Supermarket	1
87. Penny Supermarket	1

88. Powerstar supermarket	1
89. Quick Mart	3
90. Rangers Supermarket	1
91. Rikana supermarket	1
92. Rongai supermarket	1
93. Roymatt supermarket	1
94. Safeway Hypermarkets Ltd	1
95. Saltes	1
96. Satellite supermarket	1
97. School Supermarkets Ltd	1
98. Seasons supermarket	1
99. Simba Car Supermarket	1
100. Skymart	1
101. Spring Farm Natural Products	1
102. Springs Health Care	1
103. Springvalley supermarket	1
104. Stagen Enterprises Ltd	1
105. Subway supermarket	1
106. Sunshine supermarket	1
107. Sweetworld supermarket	1
108. Taivas Supermarket	1
109. Terminal 29 satellite supermarket	1
110. Tesco Corporation Ltd	1
111. Thikamatt Supermarket ltd	1
112. Three ways supermarket ltd	1
113. Trolleys and baskets	1
114. Tumaini	3
115. Tuskys	16
116. Uchumi Holdings Ltd	11
117. Ukwala Supermarket Ltd	1

118.	<u>Uthiru Fair Price Supermarket</u>	1
119.	<u>Uthiru Wayside Supermarket</u>	1
120.	<u>Venture mini-supermarket</u>	1
121.	<u>Waiyaki way supermarket</u>	1
122.	<u>Wamkoko supermarket</u>	1
123.	<u>Westlands General Stores Ltd</u>	1
124.	<u>Wincos supermarket</u>	1
125.	<u>Zuchinni greengrocers</u>	2

Source : Nairobi City Council (2017) and Kenya Business List (2017).