

# **A Pathway to Commitment in the South African Supermarket: An Exploratory Study**

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## ***Abstract***

*The supermarket sector is a major component of the retail industry in South Africa. Yet, these retail chains largely exist in a 'sea of sameness' where only subtle characteristics differentiate them from each other. This paper aims to investigate the means through which such chains can achieve competitive advantage through the creation of customer commitment. Whilst structural bonds might create the impression that customers are loyal, commitment goes beyond behavioural loyalty and is argued to be a better indicator of the customer's propensity to patronise the retailer into the foreseeable future. Through consideration of the retail mix, this study determines that low prices, in-store promotions and facilities do not necessarily lead to customer commitment, whereas superior customer service and quality and variety of store merchandise are considerably more influential in this respect. However, on the whole, customer commitment in the supermarket sector remains somewhat poor and needs to be further entrenched.*

**Key words:** Supermarkets, Satisfaction, Behaviour, Commitment, Structural Bonds, Retail Mix, South Africa

## **INTRODUCTION**

Today's marketers go beyond designing strategies to attract new customers and create transactions with them. Retaining and growing profitable customers through effective relationship marketing is common practice. Retailers need to face the realities of today's market – changing demographics, more-sophisticated competitors and overcapacity of the industry (Kotler, 2003), all resulting in a significantly diminished supply of customers to transact with. This challenge is augmented by the diversity of the South African consumer market and an increasingly saturated supermarket industry (Cant and Machado, 2004). Managing customer loyalty is more important than ever to ensure that customers not only purchase products from the store, but also to maintain a lifetime of patronage and maximise customer lifetime value (Stauss *et al*, 2001; Thomas, 2001; Rowley, 2005).

In the supermarket industry, building customer loyalty is vital. Levy and Weitz (2007) express that loyal customers have an emotional connection with the retailer. Their reasons for continuing to patronise a retailer go beyond the convenience of the retailer's store or the low prices and specific brands offered by the retailer. They feel such goodwill toward the retailer that they will encourage friends and family to buy from it (*ibid*). A pivotal element of customer loyalty is commitment. Commitment examines the attitudinal dimension of loyalty and represents what customers actually feel as opposed to what they do. Commitment has been described as an emotional attachment that overrides factors such as functional performance, day-

to-day fluctuations in satisfaction, and temporary frustrations (Morgan and Hunt, 1994; Geyskens et al, 1996; Heskett, 2002; Kessim and Abdulla, 2006).

Research has indicated that it costs three to six times more to sell products and services to new customers than existing customers and therefore marginal increases in customer retention can lead to dramatic increases in profits (Levy and Weitz, 2007). Committed customers are satisfied with the store offering, expressing a positive attitude and eager to provide consistent patronage (Duveen-Apostolou, 2006). Thus, an effective relationship marketing strategy for managing commitment and loyalty with customers is essential in retaining valuable customers and subsequently developing a sustainable competitive advantage (Liljander & Roos, 2002).

Kotler and Armstrong (2004) define a supermarket as a large, low-cost, low-margin, high-volume store that carries a wide variety of food, laundry, and household products. The South African supermarket industry includes major supermarkets Pick n Pay, Shoprite, SPAR and Woolworths groups, as well as some lesser known brands which are mainly situated in smaller towns. The core of retailing strategy is the retail mix. The retail mix is the decision variables retailers use to satisfy customer needs and influence their purchase decisions. Elements in the retail mix include merchandise assortments, location, pricing, customer service, store design and display, and the communication mix of the retailer (Levy and Weitz, 2007). The dilemma faced by marketers is to develop a retail mix that not only effectively satisfies its target market, but also builds customer commitment and loyalty.

This study aims to investigate the antecedents of customer behaviour and commitment in the South African supermarket industry. Whilst some customers might be behaviourally loyal, they may not necessarily possess true commitment. This may mean they are vulnerable to defection in due course. By identifying and examining the significance of these underlying drivers, supermarket chains can refine their strategy to play to their strengths and minimize their weaknesses. The status quo of the industry will be probed so as to determine customer satisfaction levels and perceived importance of a wide range retail mix attributes.

## LITERATURE REVIEW

### **The Relationships between Satisfaction, Loyalty and Commitments**

Customer loyalty has become an increasingly important aspect of marketing in the 21<sup>st</sup> century (Duffy, 2005). Baker & Bass (2003) attributes this trend to the rise of relationship marketing. Slow growth rates in mature markets have resulted in the pool of new prospects being diminished, steering marketing attention toward retaining and growing existing customer relationships. Consequently, 'customer loyalty' achieved priority.

Customer loyalty is described as a deeply held commitment to re-buy or re-patronise a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour (Knox, 1998; Oliver, 1999; Passikoff, 2006). Bowen and Chen (2001) assert that customer loyalty is difficult to define and in general there are three distinctive approaches to measure loyalty: behavioural measures, attitudinal measures and composite measures.

The behavioural measurements consider consistent, repetitious purchase behaviour as an indicator of loyalty (Bowen and Chen, 2001), thus making a major assumption that this repeat purchasing could capture the loyalty of a consumer towards the supplier of interest (Bandyopadhyay and Martell, 2007). Oliver (1999) suggests that customer satisfaction developed

by way of product usage is a necessary step in loyalty formation however it becomes less significant as loyalty begins to set through other mechanisms such as individual fortitude (*i.e.* the degree to which the consumer resists competitive pressure to switch over to another brand) and social bonding (*i.e.* the degree to which the community or the society supports the consumer to remain loyal).

Attitudinal measurements consider the emotional and psychological attachment inherent in loyalty. The attitudinal measurements are concerned with the actual sense of loyalty, engagement and allegiance (Bowen and Chen, 2001). According to this definition, loyalty is the biased (*i.e.* non-random) behavioural response (*i.e.* purchase), expressed over time by some decision making unit, with respect to one or more alternative suppliers out of a set of such suppliers, and is a function of psychological (decision making and evaluative) processes (Jacoby and Kyner, 1973). Jacoby and Kyner (1973) express that it is the evaluation process that makes an individual develop a commitment towards a supplier.

The attitudinal and behavioural approaches however examine loyalty unidimensionally. In contrast, composite measurements of loyalty combine the attitudinal and behavioural dimensions and measure loyalty by variables such as customers' product preferences, propensity of brand-switching, frequency of purchase, recency of purchase and total amount of purchase (Pritchard and Howard, 1997; Hunter, 1998; Wong, Dean & White, 1999, cited by Bowen and Chen, 2001).

A reputable example of the analysis of loyalty using composite measurements is that proposed by Dick and Basu (1994) who argue that loyalty is determined by the strength of the relationship between relative attitude and repeat patronage and thus has both attitudinal and behavioural elements. Dick and Basu's (1994, cited by Garland and Gendall, 2004) customer loyalty model is an elegant conceptualisation of attitude and behaviour (Garland and Gendall, 2004). They suggest that loyalty is the result of the interaction between a customer's relative attitude to a brand, or store, and their repeat purchase behaviour. Typology divides customers in to four loyalty groups (Dick and Basu, 1994).

1. True loyals are customers with high attitudinal and behavioural loyalty.
2. Spurious loyals are those with high behavioural loyalty but low attitudinal loyalty.
3. Latent loyals are those with high attitudinal loyalty but low behavioural loyalty.
4. Non loyals are those with low attitudinal and behavioural loyalty.

**TABLE 1**  
**Dick and Basu's Loyalty Model**

		Repeat Patronage	
		High	Low
Relative Attitude	High	True loyalty	Latent loyalty
	Low	Spurious loyalty	No loyalty

(Dick and Basu, 1994, cited in Garland and Gendall, 2004)

Customer loyalty appears to be one of the most discussed and contentious marketing concepts of recent years (Through the Loop Consulting, 2002). Much of this debate and ambiguity stems from the relationship between customer loyalty and satisfaction. Customer satisfaction is defined as the state in which customer needs, wants and expectations through the products or services' life are met or exceeded resulting in repurchase, brand loyalty, and willingness to recommend (Nicolson, Kemp & Linnell, 1996). Oliver (1999) argues that the two

concepts are distinct. Satisfaction is a fairly temporal post usage state for one-time consumption or a repeatedly experienced state for ongoing consumption that reflects how the product or service has fulfilled its purpose. Loyalty on the other hand is an attained state of enduring preference to the point of determined defence. However, he contends that satisfaction is an essential ingredient for the emergence of loyalty (*ibid*). The ability to convert satisfied customers into loyal customers is the pivot of long-term success (Gitomer, 1998).

It would appear that high customer satisfaction does not always correlate with repeat purchases and therefore with healthy profits (Yudkin, 1999). Dissatisfied customers don't always defect and satisfied customers sometimes do. Thus satisfaction alone cannot predict future behaviour and customers may even remain behaviourally loyal and not even be happy with the product or service.

Such behaviour has diminished the validity of examining loyalty from only a behavioural perspective. Bandyopadhyay and Martell (2007) assert that the existence of situational factors (such as stock-out and non-availability), intrinsic factors (such as individual fortitude) or socio-cultural factors (such as social bonding), that can differentiate between repeat purchase and loyalty, have prompted recent works that have called for understanding and operationalising brand loyalty beyond behavioural measures. Consequently advocates of attitudinal loyalty have emphasised the importance of the concept of customer commitment.

Customer commitment has sought to unravel the confusion between satisfaction and loyalty. As such, commitment involves the desire or intention to maintain a valued relationship into the future (Gundlach, Achrol and Mentzer, 1995; De Wulf et al, 2001; Liljander and Leverin, 2006). Commitment is psychological rather than behavioural and thus examines loyalty from an attitudinal perspective. Hofmeyr and Rice (2000) contend that marketers cannot deduce what consumers feel by observing their behaviour. Somebody who appears loyal could, in fact, be completely uncommitted, and switch brands at the next purchasing occasion. But what customers feel dictates the way in which the relationship between the customer and the brand should be managed (*ibid*). Commitment is arguably synonymous with attitudinal loyalty and thus these terms are often used interchangeably.

Commitment is built gradually during the development of a relationship, and parties can be committed for different reasons. Venetis and Ghauri (2004) identify three general antecedents to commitment: relational bonds that are created between parties during the course of the relationship, the trust that has been established between the partners, and the service quality.

Relational bonds can be structural or social in nature. Structural bonds are the in a relationship that, if terminated will result in considerable economical or financial costs for the parties (Venetis and Ghauri, 2004). Turnbull and Wilson (1989: 233, cited by Venetis and Ghauri, 2004) assert that the creation of a structural bond happens when the two parties make investments that cannot be retrieved when the relationship ends, or when it is difficult to end the relationship due to the complexity and cost of changing suppliers. The more investments are made in a relationship, the more difficult its disengagement becomes and the more a party will be committed to continue the relationship regardless of their satisfaction with the supplier. An example of such would be if the consumer is unable to switch suppliers because the alternatives require excessive travelling and as a result a cost could be involved in transportation which the consumer may not be able to afford.

The social bonds are the interpersonal relationships between the buyer and seller (Turnbull and Wilson, 1989, Bendapudi and Leone, 2002, cited by Venetis and Ghauri, 2004), which are the glue that holds the individuals together (Venetis and Ghauri, 2004). Wilson (1995, cited by

Venetis and Ghauri, 2004) found that buyers who have a strong personal relationship with the sellers are more committed to maintaining the relationship. Commitments

The level of service quality is directly correlated with the satisfaction the customer receives from the supplier's offering. Satisfaction is considered an important but not a necessary condition for a party to be committed to the relationship. Genesan (1994) found that satisfaction is directly and significantly related to a party's relationship commitment, whereas Morgan and Hunt (1994, cited by Venetis and Ghauri, 2004) found that it did not contribute significantly to a party's commitment in comparison with structural ties, trust and share values. Thus, although satisfaction is positively related to a party's relationship committed, its relative contribution, compared to the other antecedents, may be very small or insignificant (Venetis and Ghauri, 2004).

Venetis and Ghauri (2004) contend that only if the partner is considered trustworthy will a party be willing to invest in and become committed to the relationship, thus trust is needed for a relationship to develop. Trust has been defined as a consumer's belief that another party will perform actions that will lead to positive outcomes for the firm, as well as not take unexpected actions that can lead to negative outcomes (Anderson and Narus, 1990, cited by Venetis and Ghauri, 2004). It reduces perceived uncertainties and risk and is considered a key variable for relationship success (Morgon and Hunt, 1994, Kemp and Ghauri, 1998, Boersma, Buckley and Ghauri 2003, cited by Venetis and Ghauri, 2004).

Retailers alas have limited direct control over the relational bonds, trust and satisfaction of their customers. However, the retail mix provides a set of tools which can be utilised when developing a marketing strategy for targeting customer commitment and loyalty variables.

### **Utilising the Retail Mix to Influence Customer Behaviour**

The retail mix is the decision variables retailers use to satisfy customer needs and influence their purchase decisions and thus affect customer commitment by creating satisfaction. Elements in the retail mix include merchandise assortments, location, pricing, customer service, store design and display, and the communication mix of the retailer (Levy and Weitz, 2007). The dilemma faced by marketers is to develop a retail mix that not only effectively satisfies its target market, but also builds customer commitment and loyalty. The retail mix is a key aspect within effective retailing management and thus plays an integral part of customer commitment analysis. The elements of the retail mix will each be explored in detail as to the ways marketers can utilise the variables available, in building commitment and behavioural loyalty.

### **Merchandise Assortments**

When there are a wide variety of units in a merchandise category, the chances for distinction are substantially reduced. Customers will thus have a larger selection of merchandise to choose from between product categories and thus have the leisure of selecting the merchandise which best suits their needs and provides them with satisfaction (Curhan, 1972). Private label brands also known as store brands are another variation of merchandise assortment which retailers employ as an instrument for generating store differentiation, store loyalty and store profitability (Corstjens and Lal, 2000). The growth of private label brands has traditionally been attributed to two major causes. The first being the advertising of national brands by retailers which serves as a draw card in enticing customers and attracting them to stores and the selling of private label brands. Private label brands typically have lower variable costs and thus potentially result in higher margins (Hoch and Banerjee, 1993). Store brands enable retailers to get better deals from

manufacturers in the form of lower wholesale prices on national brands, and thus aids increases in profitability (Corstjens and Lal, 2000).

Furthermore, It is essential for retailers to supply high quality merchandise and not just focus on offering inexpensive low-quality products. In other words, failing to provide the right combination of high quality and low prices may result in a merchandise assortment that is unsuccessful in creating satisfaction with customers (Stambaugh, 1993).

### **Customer Service**

Customer service, with its final effect on repurchasing by customers, is considered one of the most important constructs of the retail mix (Caruana, 2002). Research points to the fact that effective customer service satisfies customers and in turn increases loyalty. Lewis and Booms (1983, cited by Caruana, 2002) assert that customer service is all about what customers expect and the perceptions of how these services are actually performed.

Customer service tactics are highly effectively in building commitment and loyalty. It is widely acknowledged that customers like to feel appreciated. The most effective channel at achieving this in retail is by developing favourable relationships between employees and customers. The first few words between the employee and the customer set the tone for the entire dialog and possibly even the entire relationship. Thus, Gitomer (1998) asserts that the single most important brick in the foundation of customer service is “friendly”. A friendly foundation is further complemented by a positive attitude which represents the best possibility of creating a positive customer perception of the entire company (ibid). Bad Service experiences often drive a wedge between a customer and a supplier (Duffy, 2003).

Retailers may provide unusually high-quality customer service to build and maintain the commitment and loyalty of their best customers (Levy and Weitz, 2007). Heskett *et al.* (1994, cited by Wiles, 2007) suggest that customer service will lead to increases in firm profitability and market value through the service-profit chain. This model proposes that customer service creates positive consumer cognitions and behaviours such as satisfaction and loyalty; that create financial benefits for the firm (Wiles, 2007). Customer service, by providing additional value for customers, leads to increased customer satisfaction (Anderson and Mittal, 2000, cited by Wiles, 2007). Satisfaction, in turn, leads to increased retention (Thomas, 2001; Bolton, 1998 and Zeithaml, 2000, cited by Wiles, 2007) and to increased acquisition through word-of-mouth recommendations (Cronin and Taylor, 1992, cited by Wiles, 2007). Retailer customer service has been found to increase customer satisfaction, thus leading to increased repurchase intentions, willingness to recommend and share-of-wallet (Beatty *et al.*, 1996; Dabholkar, Thorpe and Rentz, 1996; Reynolds and Beatty, 1999; Sirdeshmukh, Singh and Sabol, 2002).

Improved customer service is a direct result of well-organized employee training. Cram (1994) argues that employee training firstly requires the right staff since without potential, no amount of dedicated training and development can succeed. Setting clear operational controls for employees and communicating them effectively is the basis for their understanding of the organisation’s objectives. This provides a sense of direction in which any employee should move in serving customers and solving their problems. Training can involve the usage of the products sold or the best retailing techniques to employ (Cram, 1994). Training has its own intrinsic merits in the way it can boost operational efficiency and competence. Part of training is to refresh and update staff in order to keep them informed of new initiatives and changes. The interaction between the customer and the positive and enthusiastic employee can provide an instantaneous positive impression (Cram, 1994).

## **Store Location**

Retail location is often considered to be the most important element of the retail mix due to the time and expense that is needed to find the right location (Dufton, Bailey & Hopkins, 2001). The store choice decision can be conceptualised as a problem of deciding where and when to shop for the consumer (Popkowski Leszczyc, Sinha and Timmerman, 2000). Store choice and location are thus interrelated and play a pivotal role in the decision making process when deciding which store to attend. Store choice is dependent on the timing of shopping trips, as consumers may go to a smaller convenient retail stores for short fill-in trips and go to a larger store for regular shopping trips (Kahn and Schmittlein, 1989, cited by Popkowski Leszczyc *et al.*, 2000).

Large retail supermarket chain stores such as Pick n' Pay and Shoprite, are good examples which exhibit the theory analysed by various researchers pertaining to the selection of effective and efficient store locations within South Africa today. They have managed to establish outlets within the main central districts of the country, and have made themselves accessible to all consumers throughout South Africa. Customers are faced with various challenges each day; have demanding lifestyles and face extreme time pressures. They thus seek retail supermarkets which are conveniently located and most of all easily accessible.

## **Pricing**

The price in a transaction is the balance point between the interests of two parties. In its simplest terms it may represent the lowest figure the supplier is prepared to accept for parting with the product and the highest amount the customer is prepared to pay. The essence of relationship marketing is that prices should be driven by understanding the customer. Cram (1994) suggests that greater value tends to be appreciated and builds loyalty. Further to this, price should never be used as a promotional weapon. Price promotions can result in unfavourable outcomes. They can start price wars, teach customers to await the next offer, create expensive demand surges and lead to subsequent demand collapses (*ibid*)

As the cost of advertising has dramatically increased in recent years, marketers are increasingly turning to pricing and price related promotions as a means of influencing purchasing decisions by consumers (Krishnamurthi and Raj, 1991). Retailers have realised the importance of pricing mechanisms within marketing strategy and the role price plays with regards to store loyalty and commitment. Customers who are committed to specific brands will be less-sensitive to brand price and thus not be concerned with the prices of substitutes (*ibid*). These consumers are more inclined towards supermarkets which provide them with a large assortment of merchandise together with occasional discounted prices. Pricing is thus a pivotal component of the retail mix and should be carefully managed to consider all income groups and especially the target market to attract customers and build rapid short-term commitment.

## **Communication Mix**

A relationship begins with a conversation, and continuing communication maintains and sustains it. The most important part of the communication strategy is to ensure that communication is sufficiently frequent. More customers are lost through lack of follow up, and what appears to the customers to be indifference, than any other cause of lost sales. A study of competitor communications may indicate real opportunities to get closer to customers (Cram, 1994).

A sales promotion is the offer of an incentive to induce a desired sales result (Gilbert, 1999). It is a fundamental component of the communication mix however researchers have concluded that sales promotions can only lead to a short-term increase in sales (Smith and Sinha, 2000;

Banks and Moorthy, 1999; Kopalle and Mela, 1999; Diamond, 1992; Gupta and Cooper, 1992; Bawa and Shoemaker, 1987).

### **Store layout and design**

Design management covers the store environment, packaging, literature and corporate identity. It was discovered that British consumers expect packaging to be of a superior standard and thus are only attracted to innovative packaging within stores (Vazquez and Bruce, 2002). Design is thus a tool which retailers employ in their marketing strategy to differentiate their merchandise and in the process strengthen their marketing position. Furthermore, design can further be broken down into pack, store and corporate design. These three factors are essential for effective store design, and play an imperative role with regards to consumers' psychological defences and entice them in becoming more involved as well as interested in the retailer's merchandise.

Store design goes beyond just the word "design". It involves atmospherics and adding an ambience to attract customers thereby creating a pleasurable buying experience (Vazquez and Bruce, 2002). It entails developing certain areas and creating strategies which will enhance customer commitment in the process. It was revealed that a strong brand image influences buyer behaviour and purchase decisions in a positive manner (Porter and Claycomb, 1997). A strong identity is thus necessary in supermarket retailing and must be managed with utmost care to create a cohesive and persuasive shopping experience (Fitch, 1991).

The importance of store design has undertaken a new meaning within the retail industry in underpinning supermarket positioning. The refocusing of companies in the 20<sup>th</sup> century has led to significant changes with regards to store design layout in an attempt to attract a larger crowd of customers and thereby increasing spending within stores. Store layout and design is therefore a key aspect of the retail mix which plays a pivotal role in the process of customer-buying decisions. The internal layout of supermarkets centres round the internal paths customers may use in order to view the merchandise. (Newman and Cullen, 2001) Customer traffic flow affects a customer's impression of the store and as a result determines the level of spending within the store. Furthermore, an appropriate arrangement, display and assortment of products are an essential element for any retail business (Doyle and Broadbridge, 1999, cited by Newman and Cullen, 2001). Striking a chord between store image and customer is therefore an integral part in developing a strategic response (Newman and Cullen, 2001). It is also important for supermarket stores to realise that consumers are dynamic in nature, and therefore tend towards wanting to do their own thing and customise their own shopping experiences (Aubert-Gamet, 1997, cited by Newman and Cullen, 2001).

## **METHODS**

In order to obtain a comprehensive view of the elements of supermarket retailing strategy in South Africa, as well as attain an in depth understanding of customer commitment, experience interviews were conducted. Valuable insight was provided from both an academic and a commercial perspective. Experience interviews were conducted with Alice Louw (Global & Key Accounts Manager at TNS Customer Equity, Suzanne Ackerman-Berman (Director in Chairman's Executive Committee at Pick 'n Pay) and Leon Erens (Woolworths Constantia Store Manager).

Following the completion of the qualitative research phase outlined above, empirical data needed to be collected in order to quantify the analysis of customer commitment in relation to supermarket retailing strategy. Descriptive research was conducted by constructing a self-



administered questionnaire which was successfully completed by 304 respondents from the general public. Selecting which people to survey was based on non-probability sampling. This is due to the researchers not having access to a list of every individual in the South African population, which leads to every potential respondent having an unknown probability of selection. Quota sampling was also used to ensure a fair representation of mainstream supermarket customers in South Africa. Various sources such as Statistics South Africa and All Media & Product Survey data were consulted so as to arrive at realistic quotas within the sample. Although the sample achieved is not necessarily reflective of the South African population at large, it is reasonably in keeping with the profile of mainstream supermarket shoppers in the country.

### **Demographic Profile of the Sample**

**Population group:** The largest percentage of respondents was Black (39 percent, followed by White (30 percent and then Coloured (23 percent, while the Indian and Asian population groups were less significant (6 percent and 1 percent respectively). These proportions give a fair representation of the population of South Africa. Every attempt was made to ensure that the sample would be representative of the South African population. However, it must be noticed that the sample was drawn from the Western Cape, where demographics are skewed in favour of White and Coloured population groups.

**Gender:** The sample was split fairly even between male and female however because special effort was made to interview female respondents as they are generally the primary household shoppers, there is a slight bias toward females (58 percent) relative to males (42 percent).

**Age:** The largest proportion of respondents was between ages 18 and 25 (45 percent), followed by the 26 to 35 group (26 percent) and then the 36 to 45 group (14 percent), while ages 46 and above were less significant (15 percent collectively). The sample is thus to some extent biased toward the younger demographic.

**Home language:** The majority of respondents were English speaking (53percent, followed by Xhosa (16 percent) and then Afrikaans (10 percent), while the other African languages were less significant. It is however more useful to examine the African languages together (34 percent collectively). There is a minor bias amongst the African languages towards Xhosa; this is as a result of this language being the primary African language spoken in the Western Cape.

**Household income:** The sample provided a fair representation of all the income groups. The largest sample came from the R0 – R2999 (31 percent) income group, followed by the R3000 – R6999 group (22 percent) and then the R15000 – R24999 group (13 percent). The higher income groups were represented fairly (R25000 and above collectively): 15 percent however they were less significant relative to the lower income groups (R14999 and below collectively) at 72percent. The sample is thus biased toward the lower income group however this may be as a result of quota sampling.

Overall, the following biases have been identified: Black, females, the younger age group (18 to 25), English, Xhosa (amongst the African languages), the lower income group (R14999 and below), and student/scholars.

## FINDINGS AND DISCUSSION

The relationship between customer loyalty and the underlying antecedents (namely satisfaction, involvement, an emotional connection, trust, and structural relational bonds) were comprehensively discussed in the literature review. Through utilising a basic descriptive analysis, the characteristics of the average respondent with respect to these antecedents and their loyalty were uncovered. Five point semantic differential scales were used for all except the last two scales listed in table 2 (see appendix).

The average respondent considered which supermarket store he/she shopped at to be an important decision, considered him/herself loyal to one specific supermarket store but nonetheless shopped at other supermarkets frequently and was generally satisfied with this specific supermarket's offering. (S)he considered the trustworthiness of this specific store to be important but was indifferent over whether (s)he had an emotional connection with this specific store. Lastly, the average respondent indicated both a commitment and behavioural loyalty score in the moderate range.

The importance of trust was reiterated by Leon Erens who asserts that customers desire value for their money and trust gives them an assurance of the value they will be receiving. Not only is it essential for the merchandise to always be of the expected quality and functionality, but also that if it isn't as the customer expected, the customer should be able to trust that the store will reimburse them or offer a substitute. Erens further expressed that trust is an element that is passed down to generations and thus younger customers will generally initially trust those retailers that their parents or other relatives introduced them to.

Alice Louw asserts that if customers care about which supermarket store they shop at, they are considered to have a stronger involvement and willingness to tolerate dissatisfaction before switching stores. This involvement dimension can also be viewed as a measurement of potential for commitment. As a measure of involvement, respondents were asked to determine whether they considered which supermarket they shopped at to be an important decision. The majority of respondents (62 percent indicated that they considered this to be an important decision. This implies that these customers are viewed as being "involved" in their purchasing decision.

Respondents rated their level of satisfaction with regards to the specific supermarket store at which they shop, of which 88 percent were satisfied with the offering of the specific supermarket store they shopped at. However, Louw warns that without the presence of involvement, high satisfaction still produces passive users with low repurchase rates in many cases; commitment requires both involvement and satisfaction. Two thirds (66 percent) of respondents are both involved and satisfied with their chosen store and thus have high potential for commitment. It is thus concluded that the majority of South African customers are satisfied and involved with the specific supermarket store at which they shop and consequently have high potential for commitment.

Furthermore, Louw maintains that a measurement of a customer's emotional connection to a supermarket is also an accurate measurement of their commitment to that supermarket. In the survey, respondents were asked to rate the importance of an emotional connection in their decision of where to shop. Despite the majority of respondents finding the decision of which supermarket store they shop at to be important, the mean response for the importance of an emotional connection was only 3.04, interpreted as neutral. This implies that the degree of involvement is fairly low. Hence, Louw describes these customers as passive users, who would be classified as committed, albeit on the shallow end of commitment. She notes that this, specifically in fast moving consumer goods retailing, is fairly common.

The importance of structural bonds also needs to be considered so that behavioural loyalty isn't interpreted as being a pure degree of loyalty. In this respect, respondents were asked whether they shopped at their specific supermarket store because they were satisfied with the store's offering or because they were constrained to do so. The vast majority of respondents shopped at their specific supermarket store because they were satisfied with the store offering (77 percent). Nevertheless, a significant portion of the respondents shopped at their specific supermarket store because they were constrained to do so (22 percent).

In order to determine the rationale for customers to be constrained to a specific supermarket store, these constrained respondents were asked why they were constrained to shop there. The most common reason (52 percent) for respondents to be constrained to their specific supermarket store was due to travelling issues (*e.g.* they do not own a motor vehicle or the other stores are too far away), followed by convenience (25 percent). These findings emphasise the importance of store location and accessibility for retailers because situating a store in a popular location which is considered convenient by customers relative to other supermarket stores attracts customers even if their attitude towards the store is not particularly positive.

Of the respondents who were dissatisfied with their specific supermarket store's offering, 80 percent remained behaviourally loyal to a specific store as a result of structural relational bonds. Louw concurs that often dissatisfied customers stay with a brand (*i.e.* remain loyal) due to physical barriers such as location or cost, or psychological barriers such as 'they care so they stay with the brand and try to fix the problem.' Suzanne Ackerman-Berman notes that specifically in South Africa, with many people still living in poverty, aspects of the retail mix such as price and store location (due to a cost being involved in transport) play a pivotal role in determining which store these customers frequent.

The travelling constraint was further emphasised when respondents were asked to determine the distance they travelled to their specific supermarket store. The majority of respondents (61 percent) travelled less than 15 minutes to their specific supermarket store and overall 87 percent travelled 30 minutes or less to their specific store, thus supporting the pivotal role store location plays in attracting customers. Only 13 percent of respondents travelled for more than 30 minutes, clearly illustrating that customers generally decide on a store that is less than 30 minutes away and thus it is concluded that 'required travelling distance' is a significant structural relational bond.

The six elements of the retail mix (namely price, merchandise assortment, customer service, store design and layout, communications mix and location) were analysed by asking respondents to rate the importance of each of these elements when deciding which specific supermarket store they shop at, on a scale of 1-5. The six elements were divided into thirteen retail mix variables, each of which is attributed to one of the elements of the retail mix. This is reflected in table 3 (see appendix). The aggregated importance scores are reflected in table 4.

As indicated in the table above, the quality of fresh groceries was rated the most important aspect, whereas the availability of private-label merchandise was considered the least important. Ackerman-Berman reiterated that friendly service and high-quality service are important variables of the retail mix, an area where Pick n Pay have always placed emphasis. Furthermore, she stressed the fact that these variables played a fundamental role in providing consumers with the 'overall shopping experience.' In an environment where parity (or perceived parity) across product range existed, these variables could well make the difference. Erens, too, expressed that high-quality customer service is essential as it makes the customer feel valued. Nonetheless,

retailers should never lose sight of the fact that their core offering (the merchandise) needs to be impressive.

## CONCLUSION

In lieu of the findings of this research, the following conclusions are drawn:

**South African supermarket customers have shallow commitment to the store at which they shop:** Whilst South African supermarket shoppers are satisfied with their stores' offering, their involvement is deemed to be moderate. Furthermore, their emotional connection to the store appears neutral. Supermarket chains therefore need to pay attention to exceeding the customer's expectations as

**Low prices are not a sure guarantee that the customer will stay. Merchandise and convenience of location reign supreme:** Somewhat interestingly, customer service and the in-store environment were not deemed of the utmost importance. The top tier of priorities for supermarkets appear to be merchandise and location. Thereafter, service delivery becomes importance and may, thus, be classified as the second tier of priorities. The third tier of priorities includes such aspects as facilities available and sales promotions.

**Behaviourally loyal patronage to supermarkets does not imply customer satisfaction with supermarkets:** Behavioural loyalty is a behavioural measure, while satisfaction and commitment are attitudinal measures. Frequent patronage to a store may often be due to the structural relational bond of travelling constraints, and not a result of customer satisfaction. Findings suggest that a significant relationship exists between the travelling constraint and behavioural loyalty, thus stores which are in close proximity to customers' homes may receive high patronage, but not necessarily customers' commitment. Competition established in the vicinity may therefore have a devastating effect on store patronage down the line.

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**APPENDIX A**

**TABLE 2**  
**Descriptive Statistics of Attitudinal and Behavioural Characteristics**

<b>Characteristic</b>	<b>Overall Response</b>	<b>Mean</b>	<b>Std Dev</b>
Importance of store choice decision	Important	1.38	0.49
Degree of loyalty	Loyal	1.94	0.46
Loyal to the store because	Satisfied with the offering	1.23	0.44
Satisfaction with the store offering	Satisfied	4.16	0.67
Importance of an emotional connection	Neutral	3.04	1.04
Importance of trust	Important	3.91	0.81
Behavioural loyalty score	Moderate – 15 out of 30	15.07	3.66
Commitment score	Moderate – 16 out of 30	16.33	4.18

**TABLE 3**  
**Breakdown of Retail Mix Elements into Clustered Variables**

<b>Retail Mix Element</b>	<b>Related Variables</b>
Price	Prices
Merchandise assortment	Variety of merchandise, quality of merchandise, quality of fresh food, availability of private-label merchandise
Customer service	Friendly service, well-trained floor staff, high quality customer service
Store design and layout	Attractiveness of the store, facilities available
Communications mix	Brand of the Supermarket, sales promotions
Location	Convenient location

**TABLE 4**  
**Descriptive Statistics of the Retail mix variables**

<b>Retail Mix Variable</b>	<b>Overall Rating</b>	<b>Mean</b>	<b>Std Dev</b>	<b>Rank</b>
Price	Important	4.00	1.03	7
Variety of merchandise	Important	4.23	0.83	4
Quality of merchandise	Important	4.47	0.72	2
Quality of fresh food	Very Important	4.70	0.58	1
Availability of private-label merchandise	Neutral	3.11	1.06	13
Friendly service	Important	4.08	0.91	5
Well-trained floor staff	Important	3.83	0.10	9
High quality customer service	Important	4.02	0.88	6
Attractiveness of the store	Important	3.91	0.82	8
Facilities available	Neutral	3.39	1.15	11
Brand of the supermarket	Neutral	3.33	1.04	12
Sales promotions	Neutral – Important	3.50	1.10	10
Convenient location	Important	4.33	0.79	3