



## Millennials' Service Quality Preferences: Evidence from Large Retail Outlets in South Africa

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**Abstract:** *Service quality and customer perception vary across business sectors. The youth plays a vital role in determining the quality of service in large food retail outlets in South Africa in general and most notably in the Cape Metropolis. This study investigated the most critical factors of service quality that are significant in the Millennials perception, used to measure quality in the large food retail sector. The quantitative method was adopted to measure the relationship amongst the variables of a retail service quality scale (RSQS), with the sample of 220 purposively drawn from second and third-year students at a university of technology. Findings indicate the coefficient of determination  $R^2$  of 88% and a Durbin-Watson (DW) coefficient of 0.25, as well as an  $F$  statistics ( $f$ -stat) of 63.92, this show that the physical aspect (ease of accessibility to products) will contribute positively to overall service quality of retail food outlets.*

**Keywords:** *Service Quality, Youth Perception, Millennials, Food Retail, Sustainability, Cape Metropolis*

### Introduction

The dynamic nature of the retail environment has brought about increased competition amongst organisations worldwide, with managers struggling to ensure that customer experience is enhanced through the efficient provision of goods and services (Terblanche, 2015). It is believed that firms that provide high quality of services are likely to have a competitive advantage. However, retailers have to contend with various challenges and complexities to remain competitive. To buying patterns are influenced by how customers perceive the products or services offered and different modes of information have served as a catalyst for how customers perceive the quality of retailing activities in the food industry. Furthermore, the success of retailing hinges mostly on how customers perceive the quality of service. One of the accepted means of measuring the quality of service is the RSQS. Measuring 5 aspects (Physical aspect, reliability, personal interaction, problem-solving and

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store policy) the scale has been successfully applied and validated in the retail environment (Jain & Aggarwal, 2016).

Millennials have been noted to demonstrate a higher level of self-esteem and assertiveness than their counterparts of the same age group of the other generations (Deal, Altman, & Rogelberg, 2010). Millennials have high aspirations, are achievement-focused, and are accountable for their actions (Kaifi, Nafei, Khanfar, & Kaifi, 2012). By adapting easily, the Millennial generation is the most techno-savvy. The high proficiency in using technology helps the Millennials to communicate, learn, socialize, and shop better (Harris, Stiles and Durocher, 2011). Thus, it is perceived that the Millennials make swift and more flexible decisions that influence their purchasing preferences significantly regardless of past use or familiarity with the required product/s. To Steiner, Wiegand, Eggert, and Backhaus (2016), only the retailers that can attract and muster support from the youth can build long term relationships that result in strong customer loyalty. Kim and Seo (2013) suggest that the need to build and sustain a relationship may be premised on the fact that as the Millennials buying power grows, these emerging adults learn consumer behaviour patterns that influence them in later life. This study provides an insight to consumer perception body of knowledge by focusing on large food retail outlets exploring the Millennial's perception of the service quality of large food retail organisations in the Cape Metropolis, to determine the most critical variables in the retail service quality scale (RSQS) and how staff interact with consumers, the physical aspect and support the customers receive during their visit to purchase can enhance sustainability in the retail sector. The youth and Millennials are used interchangeably in this study.

Many studies have been conducted at the global and national level on service quality preferences and sustainability in the food retail sector, for example: The influence of retailers on both upstream and downstream in the supply chain is an important concept which makes them important in promoting sustainability in the retail sector, this could be a direct or indirect influence. According to Yusof, Musa, and Abd Rahman (2011), who conducted a study on sustainability and retail shopping value, found that sustainability initiative in a retail outlet has an influence on its shopping value and that retailers who are environmental conscious seem to have the edge over their counterparts who do not consider the environment. Sustainability can be championed by the food retailers because they serve as a link between the upstream producers and the customers (Connor, Schiek, et al., 1997). Stakeholders are always expecting organisations to be responsible for the environment in which they operate to ensure the security of their funds. Customer perception is usually the result of prior experience at the retail outlets and how this informs their belief about service quality. Lee (2011) argues that this could be the reason customers see a difference in service quality offered by different organisations. Their perception is an important consideration as it influences attitude further interactions with an organisation (Khare, Parveen, & Rai, 2010). In our literature review process we found that no study has investigated the most critical factors of service quality that are significant in the Millennials perception, used to measure quality in the large food retail sector in the Cape Metropolis of South Africa. As such, the objective of this study was to explore the role youth plays in determining the quality of service in large food retail outlets in the Cape Metropolis, focusing on the most critical factors of service quality that are significant in the Millennials perception,

used to measure quality in the large food retail sector. In an attempt to do that we raised the following questions that could assist us to provide answers that will help us to elicit information about the most compelling factors influencing the youth's perception of service quality in the food retail outlet industry (Luk, Sharma, & Chen, 2013).

Descriptive quantitative method was used to establish the causal relationship among variables in this study, in addition to eliciting information about the youth's perception of service quality in the food retail outlet industry (Luk et al., 2013) to measure the frequency of occurrence used to establish relationships among variables. Data was analysed using the Statistical Package for Social Sciences (SPSS) 24.0, with a factor analysis of the various components computed to help provide more insight into the research question. Findings show that the Millennials considered the physical aspect of the store as important, followed by the layout of the store being suitable for easy access to required products, an  $R^2$  of 88%, a DW coefficient of 0.25 and an f-stat of 63.92. This show that the physical aspect (ease of accessibility to products) will contribute positively to the overall service quality of retail food outlets. This study is limited because it relied on the cross-sectional method, promoting the need for a longitudinal approach in follow-up studies. Also, it is limited to the large retail outlet in cape metropolis and did not cover all the other sectors of retail and focused majorly on consumer perception of the RSQS and SERVQUAL dimensions of the most important factors perceived by Millennials as the most important aspect motivating them to purchase at a food retail outlet in the cape metropolis using the following attributes, (Physical aspect, Reliability, Personal interaction, Problem-solving and Store policy) and limited to large retail outlet. The next section is a literature review on service quality, youth perception, Food Retail Business Sustainability and Sustainable Service quality, after which the methodology used for the study is discussed, followed by the analysis of results and findings, the implication for managers and retailers and lastly, the conclusion.

## Literature

In an attempt by retail organisations to retain and attract customers, quality of service plays a vital role. Competitiveness of a retail organisation depends on the quality of their service, and will subsequently have a substantial influence on the buying behaviour of their potential customers. According to Raithel, Sarstedt, Scharf, and Schwaiger (2012), it was argued that customer risk could be significantly reduced by the quality of service rendered by retailers when their expectation is managed effectively; this will consequently lead to increased sales and customer satisfaction (Barnes, Beauchamp, & Webster, 2010).

## Retailing and Service Quality

Retailers act as the link between the manufacturing organisation and consumers, as such, they are vital in the pursuit of ensuring the demand for products is attended to efficiently, in addition to providing valuable information to both existing and prospective consumers in the retail food outlets (Terblanche, 2015).

Quality, as described, is the holistic evaluation of a product which could be compared to the attitude of a customer, this is corroborated by [Parasuraman, Zeithaml, and Berry \(1985\)](#) who iterate that service quality has to do with the complete assessment comparable to attitude. Further, using focused group, the result of the study indicates that service quality from the customers perspective is the comparison of their expectation and what they perceived to be the performance of the organisation in relation to the services rendered. Customer expectations and perceptions play a key role in buying decisions made by customers. [Parasuraman et al. \(1985\)](#) iterated that these comprise wants, desires, thinking, and the way customers perceive services rendered by various retailers. This is influenced by many factors, such as available information, machines used, type of outlets and customer service, with other scholars of the opinion that additional factors could serve as a sort of influence to customer perception, apart from those mentioned. For example, [Castro, Morales, and Nowlis \(2013\)](#) argued that product packaging positively influences on customer perception and could contribute to buying behaviour. Furthermore, perception varies from individual to individual because it has to do with beliefs and influences decision-making in diverse ways.

[Lee \(2011\)](#) highlighted that the quality of service differs from one market to another, in the same way, it does from customer to customer. As such, retailers can position themselves based on their service offering and the quality of service they provide to their customers; this is also argued based on its linkage to customer perception and expectation ([Phiri & Mcwabe, 2013](#)). Furthermore, [Zameer, Tara, Kausar, and Mohsin \(2015\)](#) posited that customer satisfaction and quality of service are the 'balancing of customer expectation'. In literature, this notion has been debated as being a dynamic relationship among the two variables on the one hand, while some scholars believed satisfaction leads to quality of service, others hold a contrary opinion, having stated that the reverse is the case.

A quality model can be applied in various situations to measure the relationship between the three key variables (Perception, Expectation and Quality of service), for example, GAPS, SERVQUAL and RSQS ([Simmers & Keith, 2015](#)), with all three adequate to help provide an insight into service quality. It is crucial to consider the aim of a particular study before deciding the most appropriate model to be adopted. Therefore, based on the aim of this study, which was to determine the attributes that contribute to service quality in a food retail store, a RSQS was deemed most appropriate to help elicit relevant information from the respondents. Thus, RSQS was adopted to measure the youth's perception of service quality in the retail environment ([Mursaleen, Ijaz, & Kashif, 2014](#)). The RSQS model comprises five major components, namely: Physical aspect; dependability/reliability; personal interaction; and problem-solving; as well as policy, and can be applied to measure the quality of service in different retail settings, including retail outlets.

SERVQUAL is one of the most widely used models to measure the quality of service ([Parasuraman et al., 1985](#)). These authors suggest that consumer opinion is based on comparing the retailer's performance with their expectation and that service quality could be measured by the following variables; Tangible, Reliability, Responsiveness, Assurance and Empathy. This model has been applied in various Organisational settings and geographical locations across the globe, for example, [Babakus and Mangold \(1992\)](#) used this in the hospital environment to test the quality of service, and it was also used to test the quality

of service in the discount and departmental store. These studies somehow do not fully support the factors proposed by [Parasuraman et al. \(1985\)](#), due to the non-universal application of these factors as challenged and that it has to be customised to suit a particular environment where it has been proposed to measure service quality.

Managers can use this scale to better understand the customer perception and expectation from their services, because of its ability to help them to come up with improvement initiatives leading to the provision of quality service. In order to track the quality of service in an organisation, managers can apply the SERVQUAL at regular intervals together with another instrument for measuring service quality in the retail environment, and this process will point the managers to areas needing improvement in their service provision. Generating the average of all the variables being measured can further assist to provide more insight into the quality of service being rendered to customers. The notion of quality cannot be waved aside in the retail environment, since consumer perceptions and attitude is largely dependent on this ([Khare et al., 2010](#)), as such it is important to make use of an appropriate instrument by managers to measure service quality. Retailing is gradually evolving, and because of its dynamic nature, it is important that organisations develop or adopt an instrument that could be used to measure their performance regularly. This was also supported by [Broderick and Vachirapornpuk \(2002\)](#) who confirmed that RSQS is suitable to the measurement of service quality in South Africa.

The application of factor analysis and a reliability test makes it suitable to measure the five variables in retail outlets ([Simmers & Keith, 2015](#)), which should assist retail organisations in identifying problem areas and generating improvement initiatives quickly. [Bialkova, van't Erve, van Hoof, and Pruyn \(2014\)](#) found that the way the youth shops on social media is somehow rigid, while approximately 61% of women sampled shops for pleasure, in addition to which they tend to maintain this perception longer than their male counterparts, even as they grow older. Furthermore, the youth have more cash for shopping, since their responsibilities are minimal compared to the elderly ([Klopota, Vrhovec-Žohar, & Mahič, 2016](#)). The youth appears to be more concerned about image and peer pressure groups when compared to the elderly and therefore, more informed about the way they spend money.

According to [Wang, So, and Sparks \(2017\)](#), it is posited that, even though the youth does not have much financial commitment, they are cautious of prices of goods at the various outlets when shopping. Due to their importance in retailing activities, the youth seems to pose a challenging task to retailers, with lofty expectations and perceived quality of service. Establishing loyalty amongst the youth thus becomes a complex and challenging task, made more difficult since the advent of social media, because this is where most of the youth's perceptions and expectations are being discussed. Unfortunately, most retailers are not able to address these concerns on time ([Istanbulluoglu, 2017](#)); should they be able to do this within a brief period, it is possible more customer satisfaction can be achieved.

## **Food Retail Business Sustainability**

Food retail business sustainability will not only be defined by the success of an organisation, but the manner in which an organisation is able to anticipate consumers expectations and

perception of their service quality, and the process of incorporating the triple bottom line (Social, economic and environmental) into their operations and the impact this could have on sustainability. According to the department for environment, food and rural affair businesses who are able to incorporate sustainability into their operations and strategy will attract more sales and prevent issues that have to do with noncompliance with legislature that may arise due to their inability to meet customer's sustainability expectation.

Sustainability debate has gained wider attention in the various spheres of life, thereby making it an essential element in society, governments and organisations. Substantiality as a concept does not have a universally agreed definition and is often influenced by the preference of the user. However, most authors associate sustainability association with the triple bottom line (Social, Economic and environment) model. While [N. Dospinescu, Dospinescu, and Tatarusanu \(2020\)](#) are of the opinion that competitive advantage can be achieved by food delivery organisations when they can manage risk associated with their operations effectively that could impact on their reputation for them to maintain the sustainability of their business. Furthermore, these authors posit that, many people are geared towards having a relationship with organisations who are perceived to have good character, since consumers believe that they will be comfortable with the environment, the same goes for various stakeholders and most importantly, customers tend to become more committed in their relationship with such organisation. Therefore, it can be argued that the triple bottom line will positively influence how retailers look at sustainability as they strive to remain competitive (European Commission, 2008). The role of retailers could be viewed as a middle man responsibility acting as the link between the producers and consumers, therefore incorporation sustainability into their business processes is one of the expectations of the society in anticipation of preserving natural resources ([Wiese & Toporowski, 2013](#)). Furthermore, the linkage between retailers and sustainable business processes and the role of various stakeholders in fostering sustainability of their sales and how it impacted on the operations of the organisation should be viewed as a critical element of meeting up with consumer's expectation and perception. Also, [Maignan, Ferrell, and Ferrell \(2005\)](#) advance that consideration is given to retailers on how they can find an equilibrium between demands from the market and consumer expectation for sustainable retailing to be achieved.

## **Sustainable Service Quality**

In the South Africa food retail sector, it is assumed that providing a sustainable quality of service consistently over a while would enhance customer satisfaction and loyalty. According to ([Hadi, Aslam, & Gulzar, 2019](#)) in their study on sustainable service quality in the telecommunications industry in Pakistan to explore the effect of sustainable service quality on customer loyalty through reciprocity theory, the result of their findings indicate that without using the mediating role of customer satisfaction, it was confirmed that there is a strong relationship between sustainable service quality and customer loyalty and satisfaction. [O. Dospinescu and Dospinescu \(2018\)](#), in their study on how information technology (IT) can be applied to help strengthen the process of food security in the European Union, developed a web-based application. Their findings indicate that the application could as-

sist potential customer access relevant information that will help them to make up their mind on food purchasing decision, as well as helping to provide important information regarding the safety of food items they intend to purchase through application integrating with consumer shopping-list.

The influence of retailers on both upstream and downstream in the supply chain is an important concept which makes them important in promoting sustainability in the retail sector, this could be a direct or indirect influence. According to [Yusof et al. \(2011\)](#), who conducted a study on sustainability and retail shopping value, found that sustainability initiative in a retail outlet has an influence on its shopping value and that retailers who are environmental conscious seem to have the edge over their counterparts who do not consider the environment. Food retailers can champion sustainability because they link the upstream producers and the customers ([Connor et al., 1997](#)). Stakeholders are always expecting organisations to be responsible for the environment in which they operate to ensure the security of their funds. Therefore, noncompliance to sustainability may force investors to withdraw their investment in an organisation, thereby putting such at risk of getting out of business.

When organisations are sensitive to sustainability issues, they tend to remain in business for an extended period or could gain a competitive advantage over rival organisations. Sustainability in the retail sector does not only relate to the triple bottom line alone (environment, economic and social) but also has to do with their staff and the physical aspect and support the customers receive during their visit to purchase ([Wiese & Toporowski, 2013](#)).

Thus, it could be assumed that retailers are now being challenged to be more sustainable in their operations and the responsibility of ensuring that their consumers and other stakeholders act responsibly, negligence could, therefore, lead to reputation problems since stakeholders believe that it is the responsibility of the organisation to ensure sustainability in their supply chain.

Retailers serve as a connection or meeting point which brings together the consumer and suppliers of goods and therefore serves as an avenue where sustainability awareness can be created for customers understanding. In a study conducted by [Lehner \(2014\)](#) his findings indicate that store attendants understanding of sustainability is related to personal interaction and the general belief that personal intervention is the motivation for sustainability in stores, in order to promote sustainability in a retail organisation, it is important to come up with policies which stipulate that products are only bought from retail stores which incorporate sustainability into their processes.

## **Millennials, Characterizes and Preferences (Buying Patterns)**

Globally, interest in consumer purchasing behaviour has gained traction over the years with researchers and marketing professionals showing particular interest ([Harris, Stiles, & Durocher, 2011](#)). Segmenting the populations along characteristics of interest enables firms to maximize their efforts through effective utilization of resources. Millennials are the outcome of one of such segmentations. Also known as Generation Y, the millennials are identified by the year of birth as those born around the early 1980s and mid-1990s



inclusively. This generation has been perceived to possess certain characteristics that are distinct from the youth of other eras, such as Generations X and Z. For instance, the Millennials are mostly praised for their elevated level of trust and optimism and an exceptional level of confidence. This assertion is corroborated by [O. Dospinescu, Anastasiei, and Dospinescu \(2019\)](#) in their study on the factors that influence the benefits gained by consumers when using digital bank products with a focus on bank cards between the Millennials and Generation Z in Romania. Their findings indicate that what seems to serve as customer satisfaction for the Millennials differ from those service that serves as satisfaction for the Z generation., due to the disparity in what motivates these age groups, it is important that organisations give due consideration to those service qualities separately. Furthermore, Millennials have been noted to demonstrate a higher level of self-esteem and assertiveness than their counterparts of the same age group of the other generations ([Deal et al., 2010](#)). Millennials have high aspirations, are achievement-focused, and are accountable for their actions. By being able to adapt easily, the Millennial generation is the most techno-savvy ([Harris et al., 2011](#)). The high proficiency in the use of technology helps the Millennials to communicate, learn, socialize, and shop better ([Harris, Stiles and Durocher, 2011](#)). Thus it is perceived that the Millennials make swift and more flexible decisions that influence their purchasing preferences significantly regardless of past use or familiarity with the required product/s.

Arguing that the Millennials' attitude and appetite for purchasing varieties of products will continue to increase and may reach its peak between the year 2020 - 2050, [Forbes \(2014a\)](#), maintains that, it is essential that organizations begin to plan and develop relationship strategies that would take into consideration the interest of this cohort of the population. Because of Millennials' influence on their elders, as well as their elders' increasing comfort level with technology, [Forbes \(2014b\)](#) believes that 'many expectations and behaviours that are now standard for Millennials will soon spread to the majority of customers'.

Some of the factors that distinguish the Millennials from the previous generation could be attributed to their extensive use of information technology, financial position, social status, and accessibility to and use of sophisticated gadgets daily. More so, unlike the previous generation, Millennials are not usually bothered by long term business relationship and service quality, but rather more concerned about the environmental sustainability, therefore, when shopping they tend to look for organizations and product that gives consideration to the environment ([Harris et al., 2011](#)). Furthermore, they are fast in nature and therefore expect an instantaneous response when dealing with people and technology, which makes convenience the most important consideration when shopping for products in retail outlets before considering the store's performance.

Often, when Millennials are planning to purchase from a retail outlet, they initially search the internet to locate their preferred product and discuss with their friends to seek their opinions before making up their minds to purchase ([Gustafsson, Johnson, & Roos, 2005](#)). They move to the next available preferred outlet without holding any grudges if the preferred retail outlet did not meet their expectations. However, this experience would not prevent them from considering retail outlets that they did not buy from the next time they plan to purchase products.



Unlike the previous generations who usually attach emotions, feelings, brand name and most preferred shops or outlets which they have patronized over the years, [Trzesniewski and Donnellan \(2010\)](#) argue that Millennials are not emotionally attached to any retail outlet but prefer flexibility and the availability of products. Thus, they choose outlets based on time to deliver and availability of the required product and do not mind moving from one outlet to another to fulfil their shopping needs. As a result of these Millennials characteristics, retailers must begin to recognize that these generations are time conscious when taking purchasing decision and as such expect to be convinced as soon as possible for them to make the decision on whether to purchase in a particular retail outlet or not. Although the Millennials are not very patient in decision making as to when and where to purchase, they are very conscious of their past experience, economic dynamism, and environmental sustainability with consideration to how products were manufactured or produced when compared to earlier generations. Overall, most of the characteristics that inform the buying behaviour of Millennials, according to [Harris et al. \(2011\)](#) is that they make up their minds to purchase sometimes without having prior knowledge or use of the product, what they are concerned about is how fast they can purchase instead of paying too much attention to the service provider, nowadays, due to technology advancement, their preference is to first source for and buy products online, but when they visit retail outlets physically, part of their preference for a particular outlet has to do with how hygienic or clean the environment is, then the physical support they receive from the shop attendant and subsequently the availability of the product.

## **Theoretical Framework- The Gap Theory**

The Gap Theory provided the theoretical foundation of this paper. The theory provided insight into the question of how organisations can meet customers' expectations. By reviewing the five satisfaction gaps, it identifies the variables that must be addressed to satisfy customers. The Gap Theory provides organisations and managers with the relevant tools that may provide guidance on how to improve the quality of their services.

Based on the work of [Parasuraman et al. \(1985\)](#), the main motive of the theory was to identify the gap between customer perceived service quality and customer expectation concerning the performance of the organisation in question. It proposes five variables, namely Tangible, Reliability, Responsiveness, Assurance, and Empathy, that can be used to measure service quality. However, some scholars have argued that this theory may not apply to all business sectors and as such challenged its suitability in the retail industry. The quality of service should be determined by performance attributes, while the suitability and generalisation of the 5 attributes of the theory remain unquestioned. However, [Carman \(1990\)](#) iterates that any attempt to apply the scale should consider the peculiarity of the case.

Other authors, believe that this theory must be modified for application in the retail sector. Along those lines, [Dabholkar, Thorpe, and Rentz \(1996\)](#) combined 28 variables, 17 of which were drawn from the Gap theory (SERVQUAL) initially proposed by [Parasuraman et al. \(1985\)](#), with additional 11 other variables drawn from literature and to constitute the Retail service quality scale (RSQS). Hence, RSQS comprises five dimensions with

associated attributes (Physical aspect, Reliability, Personal interaction, Problem-solving and Store policy). Mehta et al., (2000) tested this scale in the Singapore retail industry, and their findings show that it is more applicable in the supermarket environment than in the service industry.

The gap between customer expectation and perception includes the five service qualities iterated by (RSQS). How organisations and managers handle these gaps would dictate how effective customers will view their service. When these gaps are not effectively closed, it could create a situation where an organisation and managers are not able to recognised customer wants and needs as a result of the knowledge gap; inadequate development of requisite policies to support customer service; non-fulfilment of service policies by staff; over-promising and underperforming on the part of the organisation and inability of the customers to have easy accessibility to the required products. Therefore, a proper understanding and use of this theory can assist managers in bridging the gaps identified and producing actionable initiatives that will support them to improve the quality of their services and remain competitive. Managers can use this scale to gain a proper understanding of the customer perception and expectation of their services, and this could aid them in coming up with improvement initiatives that may lead to the provision of quality service (Parasuraman et al., 1985). In other to track the quality of service in an organisation, managers can apply the RSQS at regular intervals together with other instruments for measuring service quality in the retail environment, and this process will point the managers to areas needing improvement in their service provision.

## Materials and Methods

### Aim and Hypothesis

The aim of our study was to ascertain the most critical aspects of service quality that are significant in the Millennials perception amongst the various elements used to measure service quality in large retail food outlets in Cape metropolis, South Africa. In doing that, we developed the following 5 factors for the study to test the significance of each of them; Physical aspect; Personal Interaction; Store policy; Reliability; and Problem-solving. Therefore, as part of our initial assumption regarding the previous literatures surveyed relating to the central theme of our study and their findings, we hypothesised that all the foregoing factors are important and significant to the achievement of service quality in the food retail industry.

### Methods

The instrument used for this study was newly designed taking into consideration ([Dabholkar et al., 1996](#))'s RSQS model, and giving due consideration to the type of anticipated data to be collected from each factor, the questions were Likert in nature consisting of five options ranging from 'Strongly Agree' to 'Strongly Disagree', this was informed because of the ability of this type of question in helping to provide wider observation of factors in research ([Asún, Rdz-Navarro, & Alvarado, 2016](#)). A descriptive quantitative method

was used to establish the causal relationship among variables in this study, in addition to eliciting information about the youth's perception of service quality in the food retail outlet industry (Luk et al., 2013). This method is appropriate to measure the frequency of occurrence used to establish relationships among variables. Simple random sampling was used to select respondents from second and third-year students of the department of retail business management at a university of Technology in South Africa. Two hundred and twenty (220) students were selected from a total population of 440. This sample represents the entire population and adjudged to be adequate for the study. The selection was made through an online system interface after unique codes were randomly allocated. The questions in the questionnaire were based on Retail Service Quality Scale (RSQS), which measure retail service quality that was proposed by Dabholkar et al. (1996). The RSQS is an adaptation of the most widely known and acknowledged model of measuring service quality.

The validity and reliability of the instrument was ascertained through a pilot study, where the questionnaire was administered to 20 respondents who were not part of the final study. The returned questionnaires were analysed, and the feedback was used to adjust the questions to be more focused on the study's objectives. Besides, a qualified researcher and statistician reviewed the questions. Employing this method, according to Mult and Watkins (2010), ensures that the instrument is reliable and can produce the same result under a different scenarios by an independent person. Validity was confirmed through factor analysis applied to the RSQS model in analysing service quality in retail stores (Jain & Aggarwal, 2016).

The questionnaire that was subsequently administered online to students through the university's on-line teaching system that they use regularly to enable respondents to provide answers directly to the questions. This method is adjudged to be adequate and has the advantage of obtaining a fast response, with easy administration, while data can be gathered in real-time and convenient. Respondent feedback was subsequently grouped according to the RSQS model, comprising five categories for further analysis.

## Findings

This study aimed to explore and identify the most crucial determinants of the RSQS model that the youth values more than others in a large food retail store. The Data was analysed using the Statistical Package for Social Sciences (SPSS) 24.0, with a factor analysis of the various components computed to help provide more insight into the research question.

The principal component analysis was computed for all the 25 variables in other to analyse the youth perception of the most important factor of service quality in the large food retail outlet. The factor loadings of all the variables range from 0.646 to 0.985, and this indicates that all factor loadings were above 0.6, this confirmed that the content validity is adequate for the study.

**Table 1**  
Factor Loadings of indicators of food retail service quality Code

Dimension		Factor Loadings	Mean	Std.
<b>Factor 1: Physical aspects</b>				
Q9	I regard the service quality offered by the retailer as important.	0.917	2.13	1.042
Q10	The store has modern equipment, fittings and fixtures.	0.9	2.1	0.846
Q11	I find it easy to locate goods that I intend to purchase.	0.903	1.92	0.935
Q12	The store is spacious.	0.904	1.94	0.933
Q20	The sales personnel is neat and professional.	0.907	1.9	0.945
Q23	Neatness of the store.	0.872	4.14	0.899
Q24	Attractiveness of the store.	0.901	3.99	0.8
Q25	Easy for me to move around.	0.851	4.15	1.003
Q26	Easy to find goods.	0.834	4.19	0.953
<b>Factor 2: Reliability</b>				
Q8	I regard the service quality offered by the retailer as important.	0.802	1.63	0.646
Q13	The goods sold by the retailer are always in stock.	0.985	2.38	0.99
Q16	Cashiers make mistakes when recording purchases at the till point.	0.969	2.4	0.969
Q32	The overall service I receive from the chosen retailer.	0.856	3.98	0.778
<b>Factor 3: Personal Interaction</b>				
Q14	The sales personnel is friendly and helpful.	0.928	2.36	0.851
Q15	The sales personnel is available when required to assist.	0.927	2.19	0.851
Q22	I will be willing to pay more for the same products from a food retailer that offers me a better service.	0.901	2.11	0.861
Q29	The store's products quality.	0.838	4.23	0.886
Q30	The store's products price.	0.902	3.99	0.898
<b>Factor 4: Problem-solving</b>				
Q19	I find it easy to complain when dissatisfied with the retailer or their products.	0.939	3.4	1.091
Q21	Sales personnel is knowledgeable of the store's products and policies regarding returns or exchange.	0.897	2.66	1.203
Q27	Personnel is friendly and eager to assist.	0.973	3.74	1.08
Q28	Personnel is knowledgeable about the products.	0.95	3.88	1.012
<b>Factor 5: Store policy</b>				
Q17	The retailer has convenient parking.	0.788	2.19	0.984
Q18	I never have to wait in a queue for long periods to pay.	0.646	3.74	1.057
Q31	The store's products price.	0.733	3.91	1.01

Descriptive statistics was used to examine the youth perception to examine the distribution of data and assumptions of parameters. The physical aspect was measured with 9 parameters in this section, the Service quality (SQ) item with the highest score is the SQ26 'it is easy to find food' (mean = 4.19 and standard deviation= 0.953) while the least was SQ20 'The sales personnel is neat and professional' with score (Mean= 1.90 and Standard deviation of 0.945)

For reliability 4 variables were used to test and identify the most crucial factor, SQ32 ?The overall service I receive from the chosen retailer has the highest score (mean = 3.98 and standard deviation = 0.778) while the lowest scale is SQ8 'I regard the service quality offered by the retailer as important'. With a score of (mean =1.63 and standard deviation = 0.646; In the personal interaction, 5 questions were used in this section, the item with the highest score is SQ29 'The store product is of high quality' with a score of (Mean = 4.23 and standard deviation = 0.886), while the variable with the lowest score is SQ22 'I will be willing to pay more for same products from a food retailer that offers me a better service' with as score (mean = 2.11 and standard deviation = 0.861). The descriptive statistics for the problem solving was measured with 4 variables, SQ28 'personnel is knowledgeable about the products', has the highest score (mean = 3.88 and standard deviation = 1.012).

In contrast, SQ21 'sales personnel is knowledgeable of the store products and policies regarding returns or exchange' with a score of (mean = 2.66 and standard deviation = 1.203); The last factor tested was store policy, 3 variables were used in this section with SQ31 'the store product price' has the highest score (mean = 3.91 and standard deviation = 1.010) while SQ17 'the retailer has convenient parking' with (mean = 2.91 and standard deviation = 0.984).

To test sampling adequacy, Kaiser Meyer Olkin (KMO) and Bartlett's test can be used when a sample is above 0.7, it is adjudged to be adequate while variables less than 0.5 is inadequate. The KMO help to test if enough items are predicted by each factor and Bartlett's help to test the correlation among variables, when the value is below 0.05 it indicates that the variable is good to test factor analysis.

**Table 2**  
Kaiser-Meyer-Olkin (KMO) and Bartlett's test

No	Construct	KMO adequacy	Chi-Square	Significance (P)	df
1	Physical aspect	0.896	2988.344	0.000	36
2	Reliability	0.818	869.282	0.000	6
3	Personal Interaction	0.840	1083.374	0.000	10
4	Problem Solving	0.849	958.024	0.000	6
5	Store Policy	0.845	530.864	0.000	3

KMO and Bartlett's test was used to test sample adequacy of the model variables (Table 2), with the findings showing the principal component analysis within an allowable limit, thereby confirming the adequacy of data used for the test at 0.8, and a level of significance of 0.0500, which confirm that factor analysis was acceptable, as was the level of significance. Out of the nine items tested under the physical aspect, none was removed, factor loading was between 0.834 and 0.917; In reliability aspect, none of the 4 items was removed, factor loading was between 0.802 and 0.985, Furthermore, in the personal interaction section, 5 factors were tested, and none was removed, factor loading was between 0.838 and 0.928. In the problem-solving section, 4 items were tested, and none was removed, factor loading was between 0.897 and 0.950. Lastly, 3 items were tested in the policy section, and none were removed, with factor loading ranging from 0.646 to 0.788. The results above indicate that the factor analysis was good and significant, with the sample adjusted to be adequate.

**Table 3**  
Alpha method of extraction (variance analysis with eigenvalues)

No	Component	Total	% of Variance	Cumulative %
1	Physical aspect	7.099	78.88	78.88
2	Reliability	3.285	82.134	161.014
3	Personal Interaction	4.05	80.994	242.008
4	Problem Solving	3.537	88.413	330.421
5	Store Policy	2.375	86.441	416.862

Alpha method of extraction factor was carried out as indicated in table 2.0 above, on the 25 items to 5 factors with eigenvalues. The total extraction factor for the physical aspect accounted for 78.88% of the variance, the second factor, reliability accounted for 82.13% of the variance, the third factor, personal interaction accounted for 80.99% of the variance,

the fourth factor, problem-solving accounted for 88.41% of the variance. In contrast, the fifth factor, store policy accounted for 86.44% of the variance. The total extraction sum of the variables (Table 2) is above 1.0, with all the variations remarkably close to 100%; this signifies that all the factor loadings for all the variables are significant, and it is adjudged that the model is adequate for the study.

**Table 4**  
Overall service quality

No	Dimension	R <sup>2</sup>	DW	f-stat
1	Physical aspect	0.881	0.251	63.92
2	Reliability	0.788	0.341	26.921
3	Personal Interaction	0.978	0.344	74.348
4	Problem Solving	0.978	0.344	74.348
5	Store Policy	0.725	0.181	151.32

Summary of the overall service quality (Table 4) shows that respondents considered the physical aspect of the store as important, followed by the layout of the store being suitable for easy access to required products, an R<sup>2</sup> of 88%, a DW coefficient of 0.25 and an f-stat of 63.92. All of these indicate that the physical aspect will contribute positively to the overall service quality of the food retail outlet, based on the RSQS model tested. Additionally, the reliability shows that the R<sup>2</sup> of 79%, a DW coefficient of 0.341 and f-stat of 28.92 are significant and play an essential role in achieving the overall quality of service. Furthermore, the personal interaction variable, with R<sup>2</sup> of 98%, a DW coefficient of 0.344 and an f-stat of 74.35, is significant and will enhance the store’s service quality.

Similarly, the result of problem-solving is the same as that of personal interaction, thus indicating the values as significant and will contribute to the effectiveness of operations in the food retail store and the overall quality of service. Lastly, the R<sup>2</sup> of 72%, a DW 0.181 and an f-stat of 151.32 were achieved for store policy; this variable is thus also signified as essential and will contribute to the service quality performance of a food retail store.

The main question this paper seeks to provide answers to is which service quality determinant is most preferred by the youth sampled, versus other variables. Findings indicate that, of the five determinants of service quality, the physical aspect was of the highest value to the youth, as opposed to the other determinants (Table 5).

**Table 5**  
Overall service quality

No	Aspect	Attributes	Ranking	Score
1	Physical Interaction	Products & Service Quality	1	4.23
2	Physical	Accessibility to products	2	4.19
3	Physical	Ease of navigation	3	4.15
4	Physical	Elegance	4	4.14
5	Personal Interaction	Product price	5	3.99
6	Physical	Attractiveness	6	3.99
7	Personal Interaction	Personal awareness	7	3.88
8	Problem-solving	Waiting time	8	3.74

To determine the variable that would contribute more to the overall quality of service as perceived by respondents, factor loadings of the model attributes were computed and ranked in order of importance. It is illustrated (Table 5) that personal interaction and

physical aspects appear to be the most significant. Therefore, the physical aspect of the model of service quality is the most preferred above all other attributes by the youth, with a considerable impact on their buying behaviour in the large food retail outlet. This could invariably lead to customer loyalty and frequency to purchase, which could further lead to the enhanced competitive advantage of the organisation and quality of service.

## **Limitation**

The notion of both customer perception and expectation can be assumed to be subjective due to its dynamic nature. One of the limitations of this study is that it relied on cross-sectional method, promoting the need for a longitudinal approach in follow-up studies. This study is limited to the large retail outlet in cape metropolis and did not cover all the other retail sectors. This study focused majorly on consumer perception of the RSQS and SERVQUAL dimensions of the most important factors perceived by youths as the most important aspect motivating them to purchase at a food retail outlet in the cape metropolis using the following attributes, (Physical aspect, Reliability, Personal interaction, Problem-solving and Store policy) and limited to large retail outlet. The reason behind the choice of retail outlet in cape metropolis is because it's one of the major metropolis where agricultural products are being produced and marketed, also most of the youths attend university in the metropolis with a total number of three universities, the focal university being one of the most concentrated youth population which makes it suitable for the study and its proximity to the food retail outlet.

## **Implications for Retail Management and Managers**

The importance of youth in retail activities cannot be overemphasised, as they create an opportunity for retailers to maintain long-term relationships through better customer service. More so, a better understanding of the Millennials' shopping priorities may enable retailers to adapt and proactively attract and retain this dynamic cohort of shoppers. Consequently, managers should strive to create an enabling environment through customer service. Besides, strategies that improve profitability through repeat sales, managers pay adequate attention to the physical aspect of their stores and quality of services as this is one of the motivating factors having the most significant impact on consumer behaviour and customers' ability to patronise their store.

Adequate training on customer value creation should be offered to all staff, most notably the frontline staff since they are at the forefront of service delivery in the organisation. Moreover, everyone in the organisation should keep abreast of all five aspects of RSQS (Physical, reliability, personal interaction, problem-solving and policy).

Soliciting for feedback from customers is particularly important in assisting retailers to quickly identify customers' concerns and develop a strategy to address those concern before they affect the customer adversely (Ferrell & Hartline, 2013). Besides, the study iterated that finding required products could sometimes be a challenge in various stores, as there are often no attendants on the retail floor to assist in directing customers to the



location of such products. Because of this, managers should ensure that some staff are available across the retail store to assist customers from time to time when faced with the difficulty of locating products.

## **Conclusions**

Repeat buying is the result of customer preference and this is in turn triggered by several factors including the quality of the product and service offered by a store. For the retail outlet, the preference asymmetry gives rise to competitive advantage. Young people are an important and influential consumer group in that they constitute a sizeable proportion of the population of South Africa. Of these, the millennials have been of particular interest due to their inclination to technology and buying behaviour in today's fast changing market environment.

Youth perception is a significant factor in helping to shape the way retailers pursue the quality of their services to attract and retain their customers and gain a competitive advantage over rival organisations in a changing market environment. This study explored the millennial's perception of the most critical attribute amongst the RSQS variables in the retail food industry. The findings indicate that the highest value to respondents is gained from the physical aspect of retailers; this includes the retailer's physical look, neatness, and access to the store, with a significant number of respondents also indicating the ease of locating products they intend to purchase and that the quality of service meets their expectations when visiting a large food retail outlet.

Furthermore, findings also show that quite a substantial number of the respondents believed the quality of service is the key to their decision-making process on the type of retail outlet they would patronise, with the youth population forming a large number of customers that visit large food retail stores and as such, are very important to most retailers. It could, therefore, be assumed that the youth presents an excellent opportunity for retailers to establish good relationships that will foster long-term partnerships and enhance sustainability. Regular feedback should thus be sought from customers, as this will assist the organisation in comparing the result with the current level of service standard being followed by retailers, and aid in developing improvement initiatives that will place them on the pedestal of offering quality services.

Moreover, respondents thought that it is vital that retail stores place staff across the store floor to assist in directing customers to the appropriate product location for easy access. It was also identified that during peak periods in most retail outlets, managers are not proactive enough in deploying more hands to assist at till stations, resulting in long queues and subsequently losing time. Most respondents iterated this as a shortcoming on the part of retailers, possibly resulting in some customers leaving without purchasing the required product, instead opting to go to a competitor to purchase to reduce lost time.

Overall, the majority of customers who frequently purchase at retail food outlets is the youth, making it essential for retailers to be aware of this and devise a means to ensure quality of service at all times; failure to do so could lead to the youth moving away to competitors, where most of these requirements, as well as service expectations, are met.

This study is limited to the investigation of the most critical factors of service quality that are significant in the youth perception amongst the various factors used to measure service quality in large retail food outlet in cape metropolis and did not consider other factors used to analyse relationship between perceived quality, customer loyalty and price of goods, Therefore, future research may be conducted to identify the relationship amongst these variables taking into consideration price, quality and customer satisfaction.

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