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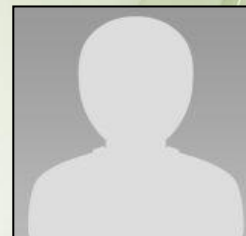
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**“EFFECTIVENESS OF CUSTOMER SERVICE DELIVERY ON
THE PERFORMANCE OF RETAIL ORGANIZATIONS: A CASE
STUDY OF NAKUMATT SUPERMARKET IN KAKAMEGA
TOWN”**



Ms. Patricia Kamene Wambua
MBA (Strategic Management)
*Jomo Kenyatta University of Agriculture
and Technology - Kakamega Campus,*



Dr. Kimani Chege
Lecturer
*Jomo Kenyatta University of Agriculture
and Technology - Kakamega Campus,*



Dr. Douglas Musiega
Director
*Jomo Kenyatta University of Agriculture
and Technology - Kakamega Campus,*



Mr. Kevin Kilonzo Mutua
MSc Procurement and Logistics
*Jomo Kenyatta University of Agriculture
and Technology - Kakamega Campus,*

ABSTRACT

Many researches and studies carried earlier have not addressed the issues how customer service can be effectively delivered but they dwell much on contribution to business performance through loyalty, customer satisfaction and competitive advantage. This makes it difficult for business to understand and expect what is the best to deliver customer services. Therefore, this research focused on effectiveness of delivery of customer service and its impact on retail organization performance. The research was guided by the following research objectives; to examine effects of design and implementation customer service delivery on organization performance, to assess the various methods used in customer service delivery and their effects on organizational performance, to determine innovative strategies for improving customer service delivery to enhance organizational performance and to establish how price, location, and queue affect customer service delivery and organizational performance. A quantitative approach was adopted as the research focused on describing and getting inference from finding on the effect of customer service delivery and retail performance. A sample size of 110 respondents was used in this study from Nakumatt supermarket Kakamega. Respondents were purposive selected from three categories of employees, Management and customers of Nakumatt Supermarket Kakamega. In the study, primary data was collected using questionnaires from different respondents categorized in three groups. Retail organization performance was taken as dependent variable while independent variable was shown by Methods, innovative strategies and design and implementation of customer service delivery. Price, queue and location were used as intervening variables. A cross sectional research design was adopted which involved descriptive statistics and inferential statistics of correlation and multiple regression. DI design and implementation, MU method used and innovative strategies IS were found to be significantly positively correlated to ROP retail organization performance. Regression analysis showed that 44.8% variance in organization performance can be explained or accounted by the independent variables used in this study. Queue, location and price taken as intervening variables indicate that they are significant in retail performance with significant increase in R square value 47.0%, 46.5% and 53.1% respectively. Thus the above factors should be considered as having effects on the performance of the retail organization and the effectiveness of customer service delivery. It was recommended that retail organization should put much emphasis on the methods used in customer service delivery as it accounts for 32.5% of variance in performance as well as they should consider the prices of their

goods and services as there was tremendous increase in percentage variance explained by independent variables with price as intervening variable.

Keywords: *Customer service, Effectiveness, Performance.*

1.1 Introduction

The design and implementation of customer service delivery processes plays a key input in the overall competitiveness of modern organizations. Thus, no service can be effective if not well designed and delivered. As Roth and Jackson (1995) observe, process capability and execution are major drivers of performance due to their impact on service quality and customer satisfaction. Customer service includes speed, listening, speed of response, providing relevant information as well as responding to feedback. Those who are involved in customer service delivery should also have the right attitude so as to create friendly environment. The concept of customer service applies to any organization that offers goods and services. Customer service relates to the relationship between the product or service provider and those people who use or buy its product or services. Customer service will go along a way to make business remain competitive and profitable

Satisfied customers are more likely to repeat business and make recommendations than dissatisfied one. It is less expensive to keep existing customers than to attract new ones. Customers' loyalty is a prime determinant of long term financial performance of firms Jones and Scarce (1995). This is especially time of the service sector where customer loyalty can substantially increase profits Reichheld (1996). At the same time effective service delivery is not possible without employee job satisfaction.

Delivering good services calls for application of customer insight and focusing on what is delivered. Deep insight into customers' needs can reduce the time and money spent on contact that has no value and ensures the services are significant and easy to use. Attention therefore, needs to be paid to internal processes and the internal customers as well as external customers.

Retail organizations in Kenya

The retail industry includes all sets of activities to sell goods and services to the end user for personal and not business use. The concern of the retailer's role in the marketing channel was raised by McVey (1960) about four and half decades ago and he argued that retailers tend to

view themselves as buying agents for their customers rather than as the selling agents for their suppliers. According to Pitkin (1996), the retail industry is greatly influenced by changes within the consumer market. The retailers consequently have the opportunity to present products to their customers in an informative way. The rise of supermarkets in developing countries has received considerable attention in development of literature over the last few years Reardon et al (2003). According to this literature, supermarkets are spreading quickly in urban areas. In Kenya for example Neven and Reardon (2004) showed that supermarkets are rising at an annual rate of 18% and have a 20% share of the food market overall. Currently, there is an emerging trend whereby supermarkets are penetrating the rural townships and it may be just a matter of time before the traditional retail outlets in rural townships are overtaken.

The dawn of supermarkets in the rural communities has opened up new opportunities for expansion of retail trade. These developments are likely to bring on board a new class of customers who will need a different type of customer service management as opposed to the urban population where most of supermarkets started. In Kakamega town where this study will be conducted is one area where supermarkets are serving both rural and urban population thus the supermarkets have to be sensitive to the needs of both urban and rural customers. The purpose of this study is therefore to investigate the effectiveness of customer service on performance of retail organizations using Nakumatt supermarket in Kakamega town as a case study. Retail organizations according to the dictionary of business and management are outlets through which products are sold to customers. Retailers can be classified into two broad groups: independent traders, multiple stores or retail cooperatives. Supermarkets are relatively large, low margin, high volume; self-service operations intended to serve a variety of customers. In the recent times there has been a noticeable increase in the number of supermarkets in many towns in this country. However, no known research appears to have been conducted to ascertain the effectiveness of customer service on the performance of retail organizations.

1.2 Statement of the Problem

Across the world, effective customer service delivery has been hailed as the key to gaining competitive advantage and hence high performance in organizations. However, a careful review of recent literature on customer service delivery does not show how is it effective to performance. With rapid advancement in technology and growing customer, awareness of

their rights many customers are becoming more and more demanding. This is as a result of the growing awareness of their rights. Hence there is need for retail organizations like supermarkets to design and implement innovative customer service strategies and methods that can enhance their performance particularly in this increasingly competitive environment. The purpose of this study therefore is to find out the effectiveness of customer service delivery on performance of retail organizations but focusing on Nakumatt supermarket in Kakamega town.

1.3 Main Objective of the Study

The main objective of this study is to investigate the effectiveness of customer service delivery on the performance of retail organizations.

1.4 Specific Objectives of the Study

The specific objectives are:

- i) To examine effects of design and implementation of customer service delivery on organization performance.
- ii) To assess the various methods used in customer service delivery and their effects on organizational performance.
- iii) Determine innovative strategies for improving customer service delivery to enhance organizational performance.
- iv) To establish how price, location, and queue affect customer service delivery and organizational performance.

1.5 Research questions

- i) How do supermarkets design and implement customer service delivery and does this affect organization performance?
- ii) How various methods used in customer service delivery affect performance?
- iii) How does innovative strategies used customer service delivery in supermarkets enhance performance?
- iv) What are impact of price, queue and location on effectiveness of customer service delivery and retail organization performance?

2.0 Literature Review

This chapter highlights the value theory. The chapter also reviews relevant literature as well as empirical studies used in this study.

2.1 Value theory

This theory talks about the worthiness or value of ideas, people or a thing. It aims to understand how, why and to what degree individual people or groups value anything. This worthiness can be viewed as economic, moral, ethical or any other type of value. A particular value may be very important to one person, but unimportant to another (Siltaoja 2006). In relation to customer service delivery, the interest of all customers must be taken care of during the process of innovative strategies, design and implementation and methods used during delivery of customer service.

MacMillan et al (2005) indicates that stakeholders (employees, shareholders, customers, community, investors, suppliers) prefer coherence with a common concern for a reputation entity, and therefore for them to maintain these firm reputations they need to improve their relationship with their customers through effective customer delivery. Many large firms have many reputations, as they are different groups that take an interest in them (Bromley 2002).

Dowling (2004). Studies have set out the importance of stakeholder perceptions in order to understand the nature of the firms' reputation.

This theory was important to my study because it recognizes that for an organization to maintain its customers as well as other stakeholders through effective customer service delivery, it has to have loyalty and improve on their relationship with the customers.

2.2 Empirical Studies

In bid to find previous studies, concerning customer services, several researches have been carried out on how customer service affects customer satisfaction, customer loyalty and competitive advantages. M. Hanif, S. Hafeez, A. Riaz (2010) carried out a study on factors affecting customer satisfaction in the telecommunication industry in Pakistan. They found that both customer service and price have significant contributions to customer satisfaction. The regression analysis showed that if customer services were responsive then it would lead to customer satisfaction hence an increase in performance. If prices are compatible to services offered, any increase in price, customers would take it positively thereby creating satisfaction among the customers. A research carried out by Dimensional Research in 2013 on customer

service and business results using a survey of 1046 individuals who had experience with mid-size company with aim of finding out what impact customer service have on business performance. They found out that good customer service result to increase in purchases while bad customer service drives customers away. 62% of customers purchased more often after good customer service while 66% of customer stopped buying after bad customer service. Adam, Y. Dong, M. Dresner (1995) carried out a research on linkages between Customer Service, customer satisfaction and Performance of the airline industry in the USA. They found a significant linear relationship between customer service between customer satisfaction and performance. Park et al. (2004) did their research using data from Korean airline industry found there is a relationship between airline customer service quality and customer satisfaction. Similar results have also been found using data from retail industry, Babakus et al (2004) showed that perceived customer service results in customer satisfaction, Yee et al. (2008 and 2010) Did a survey using 206 Hong Kong shops found a similar results. Similar result have also been found by Sim et al. 2010; Yee et al 2010 and 2008; Homburg et al. 2005; Nagar and Rajan 2005 and Riley 1999. Some researchers have argued that this increase in customer satisfaction as results of improve customer service is nonlinear i.e diminishing marginal returns sets in. this is supported by the following researchers (Anderson and Mittal 2000; Matzler et al 2004; Slevitch 2010 and Finn 2011)

2.3 Innovative customer service strategies

Retail organization should come up with innovative strategies that will make them stand out from the pack thereby gaining competitive advantage (Damanpour, 1991; Hult et al., 2004; Wheelwright and Clark, 1992). The competitors and customers of an innovative company perceive the company as being able to utilize the latest technology and introduce new services at an early stage. he general intention is for innovativeness to contribute to business performance (Damanpour, 1991). Channeling resources into the development of new services can result in competitive advantages (Hurley and Hult, 1998). Because customer needs evolve, firms must adopt innovations over time, particularly in order to allow the firm to achieve a competitive advantage (Damanpour, 1991; Henard and Szymanski, 2001; Porter, 1990). In terms of innovativeness, customer service differentiation help organization to come with quality services to suits different customer groups. In other words, customers' decision-making in relation to new customer services relies not only on confidence generated from innovation skills (Fang et al., 2008), but also on the identity and reputation of the service

provider. Past successes with service differentiation have established a customer perception of high quality services. The implication is, therefore, that retail organization that use customer service differentiation successfully can penetrate markets with easier than companies lacking sufficient service differentiation. A good service reputation is an asset that can enhance the customer's expectations about the company's offerings and mitigate uncertainties about the offering's performance (Yoon et al., 1993).

2.4 Design and implementation of customer service

The design and implementation of customer service delivery affects how the customers will perceive it and appreciate service rendered. While much operations management research has focused on service design, experience design has received only limited attention (Pullman and Gross 2004). However, there has been some work in this area. Several „operational“ tools have been developed to help both design and assess the customer experience, including creating experience clues (Berry and Carbone 2007), designing the servicescape (Bitner 1992), customer journey mapping (Shaw and Ivens 2002, Zomerdijk and Voss 2010), service transaction analysis (Johnston 1999), customer experience analysis (Johnston and Clark 2008), walk-through audits (Fitzsimmons and Fitzsimmons 1994), and sequential incident technique (Stauss and Weinlich 1997).

Stuart and Tax (2004) argued that the customer experience can be enhanced by designing the service system to encourage greater active customer participation. Bate and Robert (2007) introduced an approach which involves customers in the design of the experience; experience-based design. Pickles *et al.* (2008) developed this methodology to demonstrate how three theoretical components of good design: functionality, engineering and aesthetics can be used as a framework to improve performance, safety and governance.

In terms of taking a more strategic and holistic approach to experience design, Carbone and Haeckel (1994) divided experience design into four phases; 1) acquisition of service experience design skills, 2) data collection and analysis, 3) service clue design, and 4) implementation and verification. Later Carbone (2004) suggested five steps; 1) build a diverse design team, 2) drill down to the experience core, 3) focus on clues, 4) develop the experience narrative or story line, and 5) prioritize implementation opportunities. In 2007 Berry and Carbone proposed a five step approach; 1) identify the emotions that evoke customer commitment, 2) establish an experience motif, 3) inventory and evaluate experience clues, 4) determine the experience gap, and 5) close the experience gap and monitor

execution. Carbone also recommended that to transform an organisation to an experience-based one requires; 1) vision and strategy (clear experience statements), 2) leadership such as a CXO (chief experience officer), and 3) transfer of skills and knowledge by getting employee to think in terms of experience clues. These somewhat differing approaches (by the same author) do not appear to be supported by research-based evidence about what organisations have actually done and the impact of so doing. Thus the objective of this paper is to investigate how effectiveness of customer service delivery affects performance

2.5 Methods used in customer Service delivery

Methods used in customer service delivery by retail organization greatly affect customer satisfaction. For a customer service delivery to be effective, proper method must be employed through employee of the retail organization who are tasked with the duty of delivering the customer service. Retail organization should ensure proper training of the employees responsible for offering customer services.

Training should not only lead to skill improvement, but should also change the way employees think and view their jobs (Lin & Darling, 1997). Training must tell employees why it benefits them to have good customer service and what they are trying to accomplish as a team instead of what not to do on the job (Hartill, 2000). Retail management should come up with methods that allow customer service representatives to with the situation at their without consulting their superior (Greenberg 1996). Such efficiency greatly facilitates the service process leading to satisfied and loyal customers. Employees should apologize sincerely, involve the customer in the resolution, fix problems quickly, do extra for the customer, follow up with the customer and confirm repeat business. Customer service hinges on a variety of factors that occur during exchanges with the client, but it also is determined by numerous exchanges that occur between company employees before and during the contact with the consumer. The employee/service provider and customer often interact and communicate, which is also a large aspect of customer service. Employees have the ability to make the customers' experience positive or negative based on this interaction. Harris (2000) asserts, "Customer service is anything we do for the customer that enhances the customer experience". An analogous perspective comes from Zemke& Woods (1998) which states, customer service is a relationship with people who are essential to everything you do; meeting the needs and expectations of the customer as defined by the customer; used to create a mutually beneficial relationship between itself and those it serves; and a proactive

attitude that can be summed up as: I care and I can do. Similarly, Evenson (1999) explained that people skills are at the root of good customer service. People skills include interpersonal relations, problem solving, teamwork and leadership. These skills also foster a positive attitude, effective communication, courteous and respectful interaction and the ability to remain calm and in control in difficult situations.

Many departments in various organizations may have slightly different service dimensions. However, certain dimensions which may/may not have been developed with Customer Service the consideration of customers' expectations and perceptions seem to relate to almost every service business. Reliability includes the employee having the ability to perform the promised service dependably and accurately. It also involves understanding the needs and perspectives of others and being conscientious (hard-working, well-organized and reliable) (Cagle, 1998; Dube, Renaghan, & Miller, 1994; Greenberg and Sidler, 1998). Responsiveness involves aggressiveness and willingness of employees to help customers and provide prompt service (Dube, Renaghan, & Miller, 1994; Greenberg & Sidler, 1998). Assurance includes the knowledge and courtesy of employees and their ability to inspire trust and confidence (Cagle, 1998; Dube, Renaghan, & Miller, 1994). Empathy involves caring and individualized attention the organization provides its customers. Empathy also involves being able to identify emotionally with employers and customers (Dube, Renaghan, & Miller, 1994; Goodman, 2000; Greenberg & Sidler, 1998). These dimensions should be seen in service businesses for customers to get the most out of their experience.

Booth (1999) noted that customers want attitude, knowledge, standards and initiative when receiving customer service. Booth (1999), Cagle (1998) and Evenson (1999) stated that communication skills are also critical in delivering customer service. Hyland (2000) suggested doing what the MSC is in the process of; list the most important customer service elements and circulate questionnaires to customer service representatives and customers asking them what they think are important. Confidence is a Customer Service good starting point for customer service, according to Cagle (1998). He also explained that good people skills, and the ability to position information in a way that is acceptable and exciting to the customer are also important in customer service.

The best customer service representatives solve problems with ease and speed (Greenberg & Sidler, 1998). Other qualities include: security (calm and clear headed, even under demanding situations), helpfulness (agreeable, and good natured), and problem-solving

ability (smart enough to meet customer needs). People who succeed in customer service are motivated to please and be helpful (Greenberg & Sidler, 1998).

2.6 Retail Organization Performance

Retail organization performance encompasses all aspect that makes a firm to meet its objectives. In this context, retail performance is considered how well a retail store satisfy it customer, how loyal the customer are, how it retains its existing customer and how competitive the retail store it is. Customer satisfaction is actually a term most widely used in the business and commerce industry. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. There is a substantial body of empirical literature that establishes the benefits of customer satisfaction for firms. It is well established that satisfied customers are key to long-term business success (Kristensen et al., 1992; Zeithami et al., 1996; McColl-Kennedy and Scheider, 2000).It also defined as a global issue that affects all organizations, regardless of its size, whether profit or non-profit, local or multi-national. Companies that have a more satisfied customer base also experience higher economic returns (aker and Jacobsson, 1994; Bolton, 1998; Yeung et al., 2002).

Consequently, higher customer satisfaction leads to greater customer loyalty (Yi, 1991; Anderson and Sullivan, 1993 Boulding et al., 1993) which in turn leads to higher future revenue (Fornell, 1992; Bolton, 1998). For that matter, many market leaders are found to be highly superior-customer-service orientated. They have been rewarded with high revenue and customer retention as well.

For that matter, organizations in the same market sector are compelled to assess the quality of the services that they provide in order to attract and retain their customers. Apparently, many researchers conceptualize customer satisfaction as an individual's feeling of pleasure (or disappointment) resulting from comparing the perceived performance or outcome in relation to the expectation (Oliver, 1981; Brandy and Robertson, 2001; Lovelock, Patterson and Walker, 2001). There are two general conceptualizations of satisfaction here, namely, the transaction-specific satisfaction and the cumulative satisfaction (Boulding et al., 1993; JonesandSuh, 2000; Yi and La, 2004). Transaction-specific satisfaction is the customer's very own evaluation of his other experience and reaction towards a particular service encounter (Cronii and Taylor, 1992; Boshoff and Gray,2004). This reaction is expressed by the customer who experiences a product or service for the first time. Meanwhile, cumulative

satisfaction refers to the customer's overall evaluation of the consumption experience to date (Johnson, Anderson and Fornell, 1995); an own accumulation of contacts with services provided them from day-to-day. It is from this accumulation that customers establish a personal standard which is used to gauge service quality. However, in general, it is agreed that customer satisfaction measurement is a post-consumption assessment by the user, about the products or services gained (Churchill and Surprenant, 1982; Yuksel and Rimmington, 1988).

3.1 Introduction

This chapter deals with details regarding the procedures that will be used in conducting the study. It covers key areas which include research design, population, sample size and sampling techniques, instruments and data analysis techniques and presentation.

3.2 Research Design

Cross Sectional Survey research was used in this study as the study focused on testing rather coming up with theory. Quantitative approach was adopted as we are focused on describing and getting inference from the finding on the effect of customer service delivery and retail Performance. A case study will be suitable for this study since the research will be conducted in Nakumatt supermarket in Kakamega Town in order to collect quantifiable information since the supermarket is found in most regions in the country and has the same characteristics with other supermarkets.

3.3 Sampling Technique

The study targeted Nakumatt supermarket in Kakamega Town, its employees and customers. Therefore, the sampling technique used to conduct this research was census since all the employees and customers formed the sample population.

3.5 Data Collection Techniques

In carrying out this study, questionnaires were used as research tool to collect data from the sampled respondents. They contained structured questions relating to each variable under study. The questions related to innovative customer service strategies, customer service delivery methods and design and implementation of customer service delivery as independent variable and retail performance as dependent variable were constructed to an interval scale of five. Price, location and queuing were used as intervening variable. The respondents

answered whether they strongly agree, agree, disagree or strongly disagree with the statements on the questionnaire. The questionnaires were used in data collection, comprised both open-ended and closed ended. Completed questionnaires were personally administered to the sampled respondents while structured interview schedules were employed on key informants from the managerial staff.

Self-completion questionnaires will be selected because they are cost effective when handling large number of widely spread respondents especially those who are literate.

The research will administer the questionnaires and conduct interviews with key informants as a follow up of responses in the administered questionnaire

3.6 Measurement of variables

Innovative customer service strategies, customer service methods and design & implementation of customer services were used as independent variables. Retail performance was used as dependent variable while price, queuing and location were used as intervening variables. A well-structured standard questionnaire was used with responses on a five point Likert Scale of Strong Disagree-1, disagree,-2neutral-3, agree-4 and strongly agree-5

Independent variables

Innovative strategies for customer service delivery: This was measured using dimensions of suitability, reliability, response rate and flexibility

Customer service delivery methods. This was measured using dimensions of standardization of design, effectiveness of design,, customer involvement in design, multiplicity, complementary and user friendly.

Implementation of customer service. This was measured using dimensions of effectiveness, suitability, training method and support

Dependent variable

Retail performance. This was measured using customer loyalty, customer retention, customer satisfaction and sales growth

Regression equation

$$Pf=\alpha+\beta_1D1+\beta_2MU+\beta_3IS+e$$

Where α is the regression constant and β_1 , β_2 and β_3 is the coefficient of the independent variables. Pf is the performance, DI is design and Implementation, Mu is the method and IS is the innovative strategies

4.0 Data Analysis and Discussion

4.1 Demographic characteristics

The male accounted for 49.5% and female accounted for 50.5%. The distribution of 18-30 years was 9.9% while 31-40 years was 18.9% while 41-50 years 27.9%, 51-60 years 27.9% and over 60 and above years 15.3%, with education level, secondary level accounted for 11.7%, diploma accounted for 27.9%, degree accounted for 30.6% and master 29.7% and for duration in the supermarket less than one year accounted for 7.2%, 1-3 years accounted for 15.3%, 4-6 years accounted 22.5%, 7-9 years accounted for 28.8% and over 10 years accounted for 26.1%

4.2 Correlation Analysis

Correlational analysis was done to find out the effect of customer service delivery variables on retail organization performance.

Table 4.1: Correlation Table (Independent variables only)

There was a significant positive strong relationship between design and implementation of customer service delivery and retail performance ($r=.549^{**}$, $p<0.01$) as shown in the table 4.1 with 99.0% confidence level. This is in line with first objective which sought to examine how supermarkets design and implementation of customer service delivery affects performance. This means that better design and implementation of customer service delivery will result to an improved performance of the retail supermarket

There was a significant positive strong relationship methods used in customer service delivery and retail performance ($r=.570^{**}$, $p<0.01$) as shown in the table 4.5 with 99.0% confidence level. This is in line with second objective of the study which sought to explore the various methods used in customer service delivery and how they affect performance, this means that better methods of customer service delivery will result to an improved performance of the retail supermarket

There was a significant positive strong relationship innovative strategies used in customer service delivery and retail performance ($r=.536^{**}$, $p<0.01$) as shown in the table 4.5 with 99.0% confidence level. This is in line with fourth objective of the study which sought to explore innovative strategies for improving customer service delivery and how they affect

performance. This means that better innovative strategies of customer service delivery will result to an improve performance of the retail supermarket

4.3. Contribution of independent variables on performance variance

Stepwise regression was done using significant variables to find how each independent variable contributes to 46.5% variance in retail performance.

Table 4.2 Stepwise Regression

$$Pf=2.855+0.197MU$$

$$Pf=2.855+ 0.197MU+ 0.134IS$$

$$Pf=2.855+0.139D1+0.197MU+0.134IS$$

Table 4.2 shows the results of R square increases with addition of each predictor variables Method Used, Innovative Strategies, Design, and Implementation to a value of 0.463. F value indicates that all of the independent variables are significant since the $P<0.05$. Method used in customer service delivery contributes 32.5% in accounting of variance in the performance of retail store while Innovative Strategies contributes an additional 10.7% while design and implementation contributes the remaining 3.1% to the R square. This indicates that the method used in service delivery accounts more in variance of performance of the retail shop while customer mind less about its implementation and design

4.4. Predicating performance from independent variables (Regression Coefficients)

Regression coefficients were used in predicting performance from customer service delivery

Table 4.3 Regression Coefficients

The intercept value for retail performance is 2.855 and its t-Value is 13.221 and the P value=0.000. This indicates that if Design and Implementation, Methods used and Innovative strategies are held at zero the retail performance will be 2.855 and this value is statistically significant $p<0.05$. The partial correlation coefficient value of Design and Implementation is 0.139. This means that if other predictor variables are held constant (Innovative strategies and Methods used) an increase in one unit in Design and Implementation rate will result to an

increase in Retail performance by 0.139. The partial correlation coefficient value of Methods used is 0.197. This means that if other predictor variables are held constant (Innovative strategies and Design and Implementation) an increase in one unit in Methods used will result to an increase in Retail performance by 0.197. The partial correlation coefficient value of Innovative strategies is 0.134. This means that if other predictor variables are held constant (Methods used and Design and Implementation) an increase in one unit in Innovative strategies used will result to an increase in Retail performance by 0.134. All of the three predictors variables coefficient values were significant as their $p < 0.05$ as shown in the table 4.3

The regression model for the first equation is as from table 4.3

$$Pf = 2.855 + 0.139D1 + 0.197MU + 0.134IS$$

5 Conclusion

The study found out that there was a significant positive relationship between design and implementation of customer service delivery and retail performance with $r = 0.549$ $P < 0.005$ thus significant with 95.0% confidence level. This indicates that with better design and implementation of customer service delivery, the performance of the supermarket will increase in the same direction, positive.

Then regression results also indicated that design and implementation of customer service delivery is significant factor on the performance of supermarket $F(1,110) = 30.752$, $p < 0.01$ which is significant with 95.0% confidence level. The regression coefficient for DI is 0.139 which shows that 13.9% of variance in performance can be accounted or explained by the Design and implementation of customer service delivery and its significant $P < 0.05$. DI contribution to R Square is 3.1% and its significant at 95% confidence level

This indicates that the retail organizations should consider the design and implementation of customer service delivery as it has a significant positive effect on its performance. Better and effective design and implementation of customer delivery service will increase its performance

The study found out that there was a significant positive relationship between design and implementation of customer service delivery and retail performance with $r = 0.574$ $P < 0.005$ thus significant with 95.0% confidence level. This indicates that with better and effective

methods of customer service delivery, the performance of the supermarket will increase in the same direction, positive.

Then regression results also indicated that methods used in customer service delivery is the main significant factor on the performance of supermarket $F(1,110) = 52.555$, $p < 0.01$ which is significant with 95.0% confidence level. The regression coefficient for MU is 0.197 which shows that 19.7% of variance in performance can be accounted or explained by the methods used in customer service delivery and its significant $P < 0.05$. MU contribution to R Square is 32.5% and it's the highest among the three independent variables and its significant at 95% confidence level

This indicates that the retail organizations should consider most methods used in customer service delivery as it has a significant positive effect on its performance and its contribution to R Square is the highest. Better and effective methods used in customer delivery service will strongly increase its performance

The study found out that there was a significant positive relationship between innovative strategies used in customer service delivery and retail performance with $r = 0.541$, $P < 0.005$ thus significant with 95.0% confidence level. This indicates that with better and effective innovative strategies used in customer service delivery, the performance of the supermarket will increase in the same direction, positive.

Then regression results also indicated that innovative strategies used in customer service delivery is significant factor on the performance of supermarket $F(1,110) = 41.107$, $p < 0.01$ which is significant with 95.0% confidence level. The regression coefficient for IS is 0.134 which shows that 13.4% of variance in performance can be accounted or explained by the innovative strategies used in customer service delivery and its significant $P < 0.05$. IS contribution to R Square is 10.7% its significant at 95% confidence level

This indicates that the retail organizations should consider most innovative strategies used in customer service delivery as it has a significant positive effect on its performance. Better and effective innovative strategies used in customer delivery service will strongly increase its performance

6.1 Recommendations

According to study, the recommendations are as follows;

Since there was significant positive relationship between methods used in customer service delivery and performance to improve performance, the retail organization management need to ensure emphasis is placed on proper, better and effective method of customer service delivery. Varying methods of customer service delivery will ensure all customer needs are taken care of by the retail organization thereby increase their retention and customer satisfaction thus improve in performance

There was also a significant positive relationship between design and implementation and innovation strategies of customer service delivery and its performance. The management of retail stores should come up good design of customer service delivery and their implementation. They can outsource this service to third parties companies which are specializing in designing customer service. This will ensure high quality customer service delivery that will satisfy customers' needs. The management should also employ personnel who are well talented and understand what customers require from customer service delivery. This will ensure that innovative strategies are incorporated during design and implementation of customer service delivery so as the required objective is achieved

The management should consider the pricing of the items, location of their store and the length of their queue. This is because all the three intervening variables had significant effect on how customer service delivery affects performance. Many customers will favor affordable price that is consummate with quality of the product or service, the physical location of the store and other service and products offered within the vicinity of the store, availability of enough parking store and how secure the place and lastly the number of cashier who are available as well as length of customer service delivery queue and their response rate.

6.2 Recommendations for further research

The study limited itself on effectiveness of customer service delivery to performance using quantitative data within Nakumatt Supermarket Kakamega Branch. However, there is need for research in future in the following areas.

- Use of both qualitative and quantitative data during data analysis
- Use of secondary data in the analysis of data

- Carrying out a research that will cover all the supermarket outlet in the region
- Carrying out research which offer service unlike goods
- Use other method of analysis like factor analysis that will allow use of numerous variables in the determination of performance

Tables and Figures

Table 4.1: Correlation Table (Independent variables only)

		DI	Mu	IS	Pf
DI	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	110			
Mu	Pearson Correlation	.469**	1		
	Sig. (2-tailed)	.000			
	N	110	110		
IS	Pearson Correlation	.610**	.419**	1	
	Sig. (2-tailed)	.000	.000		
	N	110	110	110	
Pf	Pearson Correlation	.549**	.570**	.536**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	110	110	110	110

Source: Primary Data; 2014

Table 4.2 Stepwise Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	.570 ^a	.325	.319	.21441	.325
2	.657 ^b	.432	.422	.19760	.107
3	.680 ^c	.463	.448	.19306	.031

Source: Primary Data; 2014

Table 4.3 Regression Coefficients

Model	Un-standardized		Standardized		t	Sig.	Correlations		
	Coefficients		Coefficients				Zero-order	Partial	Part
	B	Std. Error	Beta						
(Constant)	2.855	.216			13.221	.000			
DI	.139	.056	.232		2.477	.015	.549	.233	.175
Mu	.197	.045	.360		4.403	.000	.570	.392	.312
IS	.134	.050	.244		2.677	.009	.536	.251	.190

Source: Primary Data; 2014

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