

# The difference between perception and expectation marketing essay



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The survival of any organisation is determined by satisfying the needs and wants of its customers. Sivadas and Baker-Prewitt (2000) asserts “ satisfaction is a critical measure of a firm’s success and has been shown to influence attitude, repurchase, and word-of-mouth communication”. A customer is satisfied once he steps out of the sellers shop and his happy when the immediate need or want his met. Lovelock & Wirtz (2007) explains that “ dissatisfaction drives customers away; it makes them willing to switch to other alternatives”. Therefore, if customers are not satisfied with the services received, they easily find a substitute which makes the other organisation unprofitable. Fornell (1992) “ argues that high customer satisfaction will result in increased loyalty for the firm and that customers will be less prone to overtures from competition”.

Bainbridge (2003) defines convenience stores “ as a retail business with primary emphasis placed on providing the public with a convenient location to quickly purchase a wide array of consumable products”. Therefore, Village store is considered as a convenience store. Lovelock & Wirtz (2007: 29) “ If a service experience does not meet expectations of customers, they may complain about poor service quality, suffer in silence, or switch providers in the future, customers evaluate service quality by comparing what they expected with what they perceived”.

## **1. 2 ORGANIZATIONAL BACKGROUND**

Village store started on the 24th of September 2007 during the Welcome Weekend and is accommodated in the same building with the Sports Centre close to the school hostels (Student Village and Carroll Court hostels). It is been controlled by the University of West of England Bristol, United Kingdom.

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Village store operates only on the main campus, Frenchay. Village store is a grocery shop that sells goods and provides services to its customers (students living in the school hostels and students that go to the Gymnasium). Their rush hours are between 5pm till 8pm. Their opening times are:

Monday – Friday 9am – 10pm,

Saturday & Sunday: 11am – 8pm.

### **1. 3 PROBLEM IDENTIFICATION AND CONSEQUENCES.**

This problem focuses on Village store failures in satisfying its customers' needs and wants despite its convenient location to them. This report is as a result of students complains about the delay in processes of goods sold and in services provided in Village store in UWE. After a close observation and investigation, it was discovered that students were not satisfied with the following: service promptness (Speed) and goods not available on time (Dependability). This results into some students saying they would prefer walking to a big store closer to UWE rather than shop at the Village store despite its convenient location to their hostels because they don't take the stocks of their goods on time and this would dissatisfy a customer that wants to purchase a good and finds out the good is not available (Dependability).

### **1. 4 CUSTOMERS SATISFACTION FRAMEWORK**

Village store's objectives is to provide adequate goods and services to meet its expectant customers' needs Slack et al (2007) Five Performance

objectives would be used to analyse the difference between the companies

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objective and its customers expectations also the concept of the 7P's of Service Marketing Mix Lovelock &Wirtz (2007: 22) to analyse the Processes services rendered and the People. Village store is a grocery store that sells goods and delivers services. The goods are displayed to be bought by the customers and their services are provided by the cashiers for the payment of their purchased items.

## **1.5 OBJECTIVES**

This objective is based on the problems encountered by student's dissatisfaction of services provided in Village store. These issues could be divided into two parts which are the marketing and operational perspective of the grocery store which briefly explains the motive for this report and how it would be achieved.

How does Village store know what their customers expect?

What makes Village store objectives different from their customers expectation

Why does a part of services provided by Village store not satisfy its customers?

To recommend ways to improve the satisfaction of Village store customers.

Brassington & Pettitt (2006: 193) explains that " Segmentation can be viewed as the art of discerning and defining meaningful differences between groups of customers to form the foundations of a more focused marketing effort" and they further explained " the organisation that fails to segment

deeply enough on significant criteria will lose customers to competitors that do". Thus Village store customers are differentiated below:

## **Segmentation Profile of Village Store**

### **Variable**

#### **Segment 1**

#### **Segment 2**

#### **Segment 3**

### **Gender**

#### **Male & Female**

#### **Male & Female**

#### **Male & Female**

### **Categories Of Customers**

#### **Hostel Residents**

#### **Gym Goers**

#### **Non-Gym Goers**

### **Visits Frequency**

#### **Regularly**

#### **Regularly**

#### **Occasionally**

### **Benefits**

#### **Cigarettes, Alcohol, Sanitary pads, Soaps, etc**

#### **Energy drinks, towels, socks, Gym bags, water etc**

#### **Juice, coke, biscuit, yoghurt, crisps, etc**

## **2. 0 METHODOLOGY**

Methods adopted in gathering information's for this report are the two sources of data which are the primary and secondary data. To get the primary data SERVQUAL questionnaires were given out to forty students who visit the Village store during the peak periods of the store between 7pm-8pm to get a clearer view of the situation and their opinions of the goods and services provided (Appendix 1), And (Appendix 2) for a pictorial evidence of my observation of the students at exactly 8pm on a week day. For further data collection a secondary research was also carried out to analyse the situation, sources were mainly from, academic writings, articles, journals, and reports.

## **2. 1 RESULTS**

Gilmore (2003: 23) “ Service Quality is defined as the ability of an organisation to meet or exceed customer’s expectations”. The outcome of the SERVQUAL instrument by Berry et al (1985) distributed to forty students who visits Village store regularly and occasionally showed students expectations is greater than their perceptions and this is seen from the table below with the aid of the formula which gives all the results in negative. Their responses were from a scale of 1(Strongly Disagree) to 7(Strongly agree) while 4 is neutral. Thus, my discovery was that service promptness of Village store is not satisfactory to what the students expects.

EXPECTATION

PERCEPTION

Frequency of response

Average

Frequency of response

Average

1

2

3

4

5

6

7

1

2

3

4

5

6

7



reliability

1

2

0

0

5

9

8

16

5. 675

1

6

8

4

11

0

3

0

2. 4

2

0

0

0

4

3

13

20

6. 225

2

19

4

10

5

2

0

0

2. 175

3

0

1

0

5

8

12

14

5. 8

3

17

6

12

3

0

2

0

4. 95

4

0

0

0

3

12

8

17

5. 975

4

14

12

7

5

0

1

1

2.3

responsiveness

5

0

3

1

5

5

8

17

5.525

5

14

8

0

5

0

7

6

3. 35

6

0

0

0

1

3

5

31

6. 65

6

18

5

9

5

1

3

0

2. 45

7

0

2

1

3

4

6

25

6. 25

7

5

4

5

15

5

2

4

3. 825

8

0

2

0

4

1

12

21



6. 1

8

14

8

4

7

1

3

3

2. 85

Fig 1

Expectations

Perceptions

(P-E)

1.

5. 675

2. 4

-3. 275

2.

6. 225

2. 175

-4. 05

3.

5. 8

4. 95

-0. 85

4.

5. 975

2. 3

-3. 675

5.

5. 525

3. 35

-2. 175

6.

6. 65

2. 45

-4. 2

7.

6. 25

3. 825

-2. 425

8.

6. 1

2. 85

-3. 25

Fig 2

The the total reliability expectations (23. 67) and perception (11. 85) of students who goes to Village store is illustrated below

Fig 3

The total responsiveness expectation (24. 52) and perception (12. 47) of students who goes to Village store is illustrated below.

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Fig 4

## **THE DIFFERENCE BETWEEN PERCEPTION AND EXPECTATION**

Perception

Expectation

P-E

Reliability

11. 85

23. 67

-11. 82

Responsiveness

12. 47

24. 52

-12. 05

Total

24. 32

48. 19

-23. 7

Fig 5

The pie chart below shows the overall total of students expectations is 48. 2 and the total perceptions is 24. 3

## **OVERALL TOTAL PERCEPTION AND EXPECTATION**

Fig 6

### **3. 0 PERFORMANCE OBJECTIVES AND CUSTOMER NEEDS**

The management of an organisation controls their objectives which determine their operational activities in fulfilling customer's expectation. Slack et al (2007), explains that " organizations set their objectives relating specifically to its basic task of satisfying customer requirements". Village store provides services that are run by UWE and part of their aim is to ensure that service to customer is delivered promptly. Slack et al (2007). " The Five Performance Objectives of organisations are: Quality, Flexibility, Speed, Dependability and Cost". Village store has not been able to meet the needs of its customers in this two: Speed and Dependability.

### **3. 1 SPEED & DEPENDABILITY**

SPEED: It is essential in the operations part of an organisation by providing express delivery of goods and services to its customers. Slack et al (2007) defines " Speed as the elapsed time between customers' requesting products or services and their receiving them". This objective is important to Village stores serving promptness to its customers as quick as possible to reduce queues at the payment point. Katz et al (1991); Taylor (1994) claims " Longish waits impact negatively on customer evaluations of an outlet's

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quality because long queues affect the customer's perceptions of the "punctuality" of a service i. e. how promptly customer requirements are satisfied and hence his or her ratings of the service provider's overall efficiency and reliability".

**DEPENDABILITY:** It requires fulfilling all customers' needs and wants without delay of their desired goods and services. This makes the organisation dependable to its customers; they are assured that their expectation would be met. Slack et al (2007) defines " Dependability as delivering, or making available, products or services when they were promised to the customer". This objective is also important to Village store having a minimum amount of goods out of stock so as to be able to always keep promises made to the customers.

### **3. 2 PROCESS AND PEOPLE**

The seven elements referred to as 7P's of service marketing which are product, place, price, promotion, physical environment, people, process: represent decision variables facing managers in an organisation Lovelock & Wirtz (2007: 21) " A process is the method and sequence of actions in the service performance". Therefore if an organisations process is not well built its outcome would be poor. The manner in which an employee relates to a customer boosts the service quality of the organisation. Village store processing of goods and service takes a long time due to its low members of staffs. The frontline staff attends to customers as much as 400-500people in a day (high volume) and this diminishes the quality of the service.

f

Customer pays for goods

Customer search for goods in the store

Customer goes to the counter

Customer sees the price of goods bought

Customer enters the Village Store

f

### **Line of interaction**

Cashier put cash in the till and gives change

Cashier politely request for payment

Cashiers scans goods at the tills

contact person

(visible action)

### **Line of visibility**

Cash till indicates the total amount of goods bought

Contact person

(Invisible action)

## **F means Fail Points**

The above diagram is the blueprint of the process of interactions between a customer and Village store. Lovelock & Wirtz (2007) defines “ Blueprinting as a powerful tool for identifying fail points which enables us to visualize the process of service delivery by depicting the sequence of front stage interactions that customers experience as they encounter service providers, facilities and equipment, with supporting backstage activities which are hidden from the customers and are not part of their experience”. Mittal Vikas (2004) “ Managers can identify areas of high service responsiveness, that is, areas in which overall satisfaction is low but customers are highly responsive to improvements in service quality

The first fail point pinpoints when a customer search for goods in the store and sees that goods have not been stock for sale; this affects the customer’s behaviour towards the grocery store since he/she was unsatisfied. After an interview with an employee, it was discovered that there is a capacity problem in Village store. Slack et al (2007) defines “ Capacity of an operation is the maximum level of value-added activity over a period of time that the process can achieve under normal operating conditions there are four components of capacity and if limited in an organisation can lead to constraints of capacity, they are:

Manpower (Human Resource)

Machinery(Equipment Facilities)

Materials(Raw Materials)



Money (Investment Funds)”.

At this point Village store lacks manpower (human resource) capacity and this has resulted into a stock availability problem because there are not enough employees to quickly restore goods on shelf. This has made Village store undependable because customers would get dissatisfied if they can't get what they want from the store.

Second fail point explains when a customer goes to the counter to pay for the selected goods. After thorough observation it was discovered at this point that Village store lacks machinery (Equipment Facilities) and manpower (human resource) capacity to cater for its demands which results into a queuing problem since there are not enough employees to serve customers and not enough equipments.

### **3. 3 Gaps in Service delivery**

“ The gaps model of Zeithamal, Berry and Parasuraman was extended by Lovelock & Wirtz (2007: 424) identifies seven service quality gaps that occur at various points during the design and the delivery of a service performance of an organisation and the expectation of customers:

The knowledge gap

The standards gap

The delivery gap

The internal communications gap

The perceptions gap

The interpretation gap

The service gap.

The gaps noticed between Village store and its customers are identified below:

The standards gap: Lovelock & Wirtz (2007: 424) “ the difference between management’s perception of customer expectation and the quality standards established for service delivery”. The management of Village store has not been able to understand the expectations of the customers and have therefore set a standard below what the students expect. Although students have not shown concerns about the cost, quality and flexibility they have shown dissatisfaction about the speed of service and also for the fact that you can’t always get what you want when you need it (Dependability).

The service gap: Lovelock & Wirtz (2007: 424) “ the difference between what customers expect to receive and their perceptions of the service that is delivered”. Village store has not been able to meet the expectations of its customers, Customers are dissatisfied when they come into the store and can not find what they want. As shown in the questionnaire Village store customer’s expectations are higher than the perceived service they are getting.

## **CONCLUSION**

After observations and thorough investigations for this research it was noticed that Village store needs to work on elements like speed of service and also work towards customers seeing the store as reliable to increase their service quality and customer satisfaction rate. This research also examined the process of interaction between a customer and the store and also identified fail points of the process. The gaps that exist between customer's perception and expectations in village store were also discussed in this report.

## **RECOMMENDATIONS**

Customer's needs must always be satisfied at all times in both goods and services received from Village store notwithstanding that they have no competitor in their convenient location and they need to go out of their way to attract more customers.

The following suggestions would be helpful in solving the two major problems observed between Village store and its customers

Village store needs more effective and trained hands to increase the speed of serving customers at peak periods (manpower) by planning their capacity. Slack et al (2007: 299) defines " Capacity Planning as the task of setting the effective capacity of the operation so it can respond to the demands placed on it by deciding how the operation should react to fluctuations in demand". To retain these students they need to have an effective capacity management to control high demands of their goods and services. Slack et al

(2007: 309) “ explains that there are three methods of responding to demand fluctuations and they are:

Ignore the fluctuations and keep activity levels constant (level capacity plan)

Adjust capacity to reflect the fluctuations in demand (chase demand plan)

Attempt to change demand to fit capacity availability (demand management)”.

Slack et al (2007: 309) “ An organisation uses the combination of these plans but one could overcome the other”. Village store should use chase demand plan to respond to fluctuating demands of its customers by hiring a part time staff to assist the full time staff during peak periods to serve demands of customers at these times. Roger Bennett (1998) “ Other policies for reducing average queue lengths at checkouts include the practice of automatically opening a new till whenever there are more than (say) five people in an existing queue”. Village store should provide self service checkouts (machinery) for the students to avoid queue and reduce pressure employee at the till.

In closing the standard and service gaps Village store would develop innovative ways of carrying out feedback survey from the students by issuing a single paper form to customers at the cash till or fill a register book for queries to know their perceptions about Village store satisfaction rate to make more people take part in the survey and use incentives to motivate students to want to participate, this information gathered from its students

would assist the management on making sure that promises made to their customers should be fulfilled at all times.

The management of Village store needs to improve on the standard they aim to achieve these recommendations by making sure they are financially buoyant enough to focus on the areas they lack in satisfying their customers without going bankrupt. This can be done by recruiting employees that are hardworking, committed, focused on achieving target goals of the store, willing to abide by their set rules, and should always do what is expected of them by making sure they not only add value to the store but also to themselves. These are essential in satisfying customer's needs and wants. Slack et al (2007) explains that " dependability is valued by most customers".