An Assessment of the Operational Performance of Supermarkets in Mauritius

Lomendra Vencataya*

The success of a profit making organization is not only assessed by financial measures but is also governed by its operational effectiveness, which is usually a strong determinant in the organization’s quest for excellence and survival in highly competitive markets.

The operational performance of an organization determines how far it is producing goods and services in the most effective and efficient manner and the extent to which those goods and services satisfy the needs and expectations of customers. In the research that has been conducted, the operational performance of five supermarkets which represent five different chains in Mauritius has been assessed. The study is an examination of the performance dimensions of five supermarkets. For the purpose of this research, four performance objectives have been taken into consideration namely: quality, speed, dependability and flexibility.

The study has been conducted through a survey of 150 questionnaires across the retail industry to include five supermarket chains. The customers of the five most popular supermarket chains were interviewed to evaluate the performance of the respective chain with regards to the four dimensions listed above. According to the findings, the supermarkets have done fairly well in all the four dimensions. This is further supported by survey results that show a high level of customer satisfaction derived by customers from their shopping experience. However it should be noted that room for improvement has been identified for all the operational performance objectives.

The research conducted highlights the importance of operational performance in organizations.

In the context of supermarkets, each of the four dimensions analyzed plays a significant role in the survival of the organizations. Since customers possess a high switching power, they easily switch to another supermarket.

Therefore the four performance objectives are highly relevant for economic success and survival in these days of intense competition. The findings are particularly useful for supermarket chains in devising strategies for improving their operational effectiveness or performance.

Field of research: Operations Management

*Mr. Lomendra Vencataya, Department of Management, Faculty of Law & Management, University of Mauritius, email: l.vencataya@uom.ac.mu
1.0 Introduction

The retailing industry business has been around for centuries in the world. Research has shown that the advent of globalization, mechanization, modernization and technology advancements have had and are still having a great impact on the retailing industry. Nowadays, supermarkets and hypermarkets play an important role in serving the local community. They are the places where majority of people would shop for food items and grocery. In this competitive and turbulent business environment, it becomes primordial for supermarket operators to sustain business developments and foster customers’ trust by upholding good practices in their operations. The relationship between a retail store’s strategy and its operations is a key determinant of its ability to achieve long-term success or even survival. The success of supermarkets is only likely to result if short-term operational activities are consistent with long-term strategic intentions. The objective of the operations function is to produce the goods or services required by customers whilst at the same time achieving service excellence in terms of quality, speed, dependability and flexibility. Many research works have been done to explore the prospect of supermarkets in developed countries. Undoubtedly, a substantial amount of literature is available worldwide, but there is limited research work that has assessed the operational performance of supermarkets in Mauritius. Hence this study will contribute to literature by filling the gap in the field of retailing in a developing country such as Mauritius.

Therefore, the main objective of this research is to assess the four main performance objectives of supermarkets which include quality, speed, dependability and flexibility. Five well-known supermarkets were selected to carry out the study. The paper reviews relevant literature on operational performance of organizations in the retail industry. It also elaborates on the research methodology used to obtain empirical findings. The research findings are then analyzed and recommendations are provided towards improving the overall operational performance of retail stores. Directions for future research are also proposed in the sphere of operations excellence in the retail industry.

2.0 Food Retailing Industry in Mauritius

While there are a number of different types of outlets today, the Mauritian food retailing industry is characterized mainly by modern, western-style supermarkets and hypermarkets. With new initiatives for business development such as the opening of huge mega stores and the introduction of fresh food sections, supermarkets in Mauritius have experienced rapid transformation and expansion in the recent years. The food retailing industry is characterized by several retail formats comprising of supermarkets concentrated mainly in the region of Plaine Wilhems. These retail stores compete against each other on the basis of price, product quality, customer service and service quality. As a result of cutthroat competition existing between them, retail outlets need to constantly improve their operational performance, be effective and efficient in service delivery and be customer-oriented (Yu and Ramanathan, 2008).
3.0 Literature Review

3.1 Operations Strategy in Retail Industry

Operations strategy concerns the pattern of strategic decisions and actions which set the role, objectives and activities of the operation, (Johnston and Clark, 2007). According to Kumar and Suresh (2009), while assessing the potential within an industry, an overall organisational strategy must be developed, including some basic choices of the primary basis for competing. As such, they argued that operations priorities are established among the following four characteristics of quality (product performance), cost efficiency (low cost price), dependability (reliable, timely delivery of orders to customers) and flexibility (responding rapidly with new products or changes in volume) (Kumar et al., 2009). A study carried out by Sparks (2010) explains how reorienting the operations strategy of a supermarket such as Asda in the UK led the firm from doom to success. Among the operations priorities were the need to be customer focused, to be a price leader and to increase store productivity. In order to remain competitive, Martinelli (2003) elaborated on the following operations strategy as adopted by UK food retailers. This included understanding and meeting customer needs and behaviors, exercising massive control on supply chain and undertaking new store development programs. On the other hand Alexander and Akehurst (2000) explained how the use of financial products is a strategy that can enhance customer loyalty. By providing financial services, retailers secure themselves a competitive advantage towards direct competitors: they aim to build stronger and longer customer relationships, derived from customer confidence in the retail store brand.

3.2 Quality as an Operational Performance Objective.

Quality is consistent conformance to customers’ expectations, in other words, ‘doing things right’, but the things which the operation needs to do right will vary according to the kind of operation (Slack, Chambers and Johnston, 2007). All operations regard quality as a particularly important objective. In some ways quality is the most visible part of what an operation does. Furthermore, it is something that a customer finds relatively easy to judge about the operation. Thus, it is clear that quality has “a major influence on customer satisfaction or dissatisfaction” (Slack et al., 2007). It is clearly specified that quality covers a huge number of dimensions in the delivery of products and services: performance features, reliability, conformance, durability, serviceability, aesthetics and perceived quality. In service provision, issues such as personal attention, dependability, empathy, knowledge, security and kindness hold much importance (Gronroos, 2000). Quality in a supermarket might mean for example goods are in good condition, the store
is clean and tidy, decor is appropriate and attractive, and staffs are courteous, friendly and helpful. As far as internal operations are concerned, quality is important as it reduces costs and increases dependability. In most consumer markets, there is more to shopping than finding the lowest price. A product’s quality can have large effects on demand and consumer welfare. Although theory has long recognized that firms with market power may reduce their products’ quality in order to save costs and maximize their profits (Chamberlin 1933; Abbott 1955), empirical research and competition policy tend to focus almost exclusively on price setting (Draganska, Mazzeo, and Seim 2009). While the potential for competition to have a significant effect on product quality is recognized in theory, its empirical importance is much less clear. In the retail sector, a firm’s “product” is the shopping experience it provides its customers. Like for physical products, retail product quality has many dimensions, including the store’s cleanliness, its checkout speed, the courteousness of its staff, and the depth of its product assortment. Moreover, Differentiation through service has traditionally been a forceful competitive tool (Parasuraman, Berry and Zeithaml, 1988; Mazursky and Jacoby, 1986) and according to numerous marking researchers the offer and supply of high quality service is often said to be of fundamental importance in retailing (Berry, 1986; Reichheld and Sasser, 1990, Dabholkar, Wesley and Amy, 1996). Quality seems to be a variable that has been examined in relation on supermarket selection; however, it is does not appear to be the determinant factor on supermarket choice. Sirohi, McLaughlin and Wittink (1998) found that service quality was by far the most critical determinant of merchandise quality perception in supermarkets. In more recent studies the quality of product has been found to be important for consumers, but may not in fact exert much of an influence on patronage behaviour by some researchers (Hutcheson and Moutinho, 1998), but it was argued to be amongst the key drivers in the past (Louviere and Gaeth, 1987).

3.3 Customer Satisfaction and Customer Loyalty in the Retailing Industry.

Customer Satisfaction is one of the most important outcomes in the marketing literature. It serves to link processes culminating purchase and consumption with post purchase phenomena such as attitude change, repeat purchase, and brand loyalty (Surprenant and Churchill, 1982).

According to Foss and Stone (2001), customer loyalty relates to what customers think and do (or try to do). Most customer loyalty experts would agree that loyalty is best defined as a state of mind, a set of attitudes, beliefs, desires etc. In principle, previous research suggests that supermarket customers are relatively loyal. Rhee and Bell (2002) found that nearly three quarters of the shoppers show progressive attachment to their current main store. Loyalty is developed by approaches which reinforce and develop a positive state of mind and the associated behaviors. The exchange of information is one of the keys of loyalty, and provides a critical bridge between state of mind and behaviour (Levy and Weitz, 2001). Also, retailers highly value loyal customers
who intentionally choose their stores over others, irrespective of the offerings at other stores (Cronin et al., 2000).

Zeithaml et al. (2008) developed a conceptual model that correlates Service Quality, Customer Satisfaction and Customer Loyalty in one frame. According to the model, service quality is the outcome of reliability, assurance, responsiveness, empathy and tangibles. Customer satisfaction is influenced by the quality of service and product and price as well as the situational and personal factors.

Achieving customer satisfaction has long been identified as the key to customer loyalty (Anderson and Sullivan, 1993; Bolton, 1998; Szymanski and Henard, 2001). As in any retail environment, customer loyalty is paramount. For the retailers who offer loyalty programs, loyal consumers generated 79 percent of their store sales (Agnese, 2003). Today’s frequent shopper programs use bar-coded cards to track consumer purchases, offer discounted prices and customize promotions based on past use (Corsten and Kumar, 2003). Service providers seek to manage and increase satisfaction (Ranaweera and Prabhu, 2003); however, satisfaction does not always result in customer loyalty, and dissatisfaction does not necessarily result in switching (Egan, 2004; Jones et al., 2000). In addition, several different moderating roles have been proposed between satisfaction and customer loyalty, such as relationship age (Cooil et al., 2007; Verhoef et al., 2002), category similarity (Bolton et al., 2004), sociodemographics (Cooil et al., 2007; Homburg and Giering, 2001; Mittal and Kamakura, 2001), inertia (Anderson and Srinivasan, 2003), locational convenience (Jones et al., 2003), relational orientation (Garbarino and Johnson, 1999), perceived risk (Selnes, 1998), expertise (Cooil et al., 2007), and commitment (Brown et al., 2005).

3.4 Speed as an Operational Objective

Waiting in line to pay for purchases in retail outlets is a necessary but undesirable activity that customers must undertake to complete their purchases (Tom and Lucey, 1995). Speed means the elapsed time between customers requesting products or services and their receipt of them (Slack, 2007). However, Robert Lowson (2002: 51) argues that ‘response’ which is closely related to flexibility, speed and time based competition dominates many sectors. Also, speed is a shorthand way of saying ‘Speed of response’. It means the time between an external or internal customer requesting a product or service, and them getting it (wps.pearsoned.com).

Slack et al (2007) sorted that the main benefit of speedy delivery of goods and services to the operation’s (external) customers lies in the way it enhances the operation’s offering to the customer. Thus, the faster customers can have the product or service, the more likely they are to buy it, or the more they will pay for it, or the greater the benefits they receive (Slack, 2007). Externally, speed is important because it helps to respond quickly to customers. Again, this is usually viewed positively by customers who will be more likely to return with more business. Sometimes also it is possible to charge
higher prices when service is fast. The postal service in most countries and most transportation and delivery services charge more for faster delivery, for example. The benefits associated with speed are that it reduces inventories, reduces risks and allows flexible response in Time.

A 1990 survey by the Food Marketing Institute (Alcott, 1991) reported that 89% of the shoppers interviewed indicated that a fast checkout was important, while only 69% of the same shoppers reported that stores met their expectations. Thus, despite supermarkets’ efforts, and large expenditures on technological improvements to speed up the checkout process, almost one customer in four remains dissatisfied. Time seems to be the factor most critical to customers’ shopping experiences, not just in grocery stores but in retail outlets in general (Peritz, 1993). Some consumers dislike waiting in line so much that they hire people to wait in lines for them (Geist, 1984; Guirl, 1986).

3.5 Dependability

Dependability means doing things in time for customers to receive their goods or services exactly when they are needed, or at least when they were promised, (Indran, 2007). Customers might judge the dependability of an operation only after the product or service has been delivered. Initially this may not alert the emergency of services as the supermarket authority might get think that the supply products are all enough for customers and they give least importance to operations of the retail services. Dependability means ‘being on time’. In other words, customers receive their products or services on time. In practice, although this definition sounds simple, it can be difficult to measure. It vividly enforces upon the customers to be dependable on the retail service. Client will assess if the product or service needed was on time or not. Furthermore, in terms of dependability it can also be that the supermarket has delivered the expected products at the clients’ place or something. Or certain supermarkets promise delivery the second time after it failed to be delivered the first time, this is what customers examine before being loyal to a supermarket. Hence, these factors have both external and internal affects, (Slack et al., 2010).

Dependability affects the likelihood that customers will select the service – they have already ‘consumed’ it. Over time, however, dependability can override all other criteria. No matter how cheap or affordable a supermarket is, if the service is always late, delivery not on time, or products out of stocks, or customers having to wait in long queues, then obviously clientele may swift to competitors (Ott, 2011). Therefore, the actual supermarket may have to apply techniques to retain its customers. Inside the operation dependability has a similar effect. Dependability is known to save money and gives stability.
3.6 Flexibility

A clear result of responding to a dynamic environment is that organization change their products and services and changes the way they do business. This performance objective is known as ‘flexibility’. Flexibility is the ability to adapt, in a reversible manner, to an existing situation, as opposed to evolution, which is irreversible (Bucki and Pesqueux, 2000). Flexibility means being able to change the operation in some way. This may mean changing what the operation does, how it is doing it, or when it is doing it. Specifically, customers will need the operation to change so that it can provide four types of requirement namely, product/service flexibility, mix flexibility, volume flexibility and delivery flexibility.

Flexibility measures how good the supplier is at shortening the agreed lead time when asked, (Roy, 2009). For instance, if a customer requires a supermarket to deliver goods as home delivery a week earlier than initially agreed, then will the supermarket be flexible enough to accommodate this order? Therefore, in any calculation of flexibility, the lead-time itself plays an important part. Developing a flexible operation can also have advantages to the internal customers within the operation. Flexibility in supermarkets would conform to providing products as per the requirements of customers; and/or giving a personalized service to loyal customers, also without forgetting to proceed upon the customers’ obligations for home delivery. The advantages of Flexibility are that it speeds up response, saves time and maintains dependability (Slack et al.).

4.0 Research Methodology

This research is a descriptive study where primary data were collected from five well-known supermarkets through a survey questionnaire. The research instrument used to collect data was a 7-part structured questionnaire. Section A dealt with preference of supermarkets. Section B assessed the quality performance of the supermarket. Section C measured speed performance objective. Section D focused on evaluating the dependability objective. Section E focused on evaluating the flexibility objective. Section F pertains to Customer Loyalty and finally Section G collected demographic details. A five-point Likert Scale was used in the questionnaire to assess the four performance objectives.

Prior to data collection, a pre-testing of the questionnaire was conducted to ensure comprehensiveness, clarity and reliability of the research instrument. The questionnaire was pre-tested among 15 customers at random and only minor modifications were made to the wordings of some survey questions. Concerning target population, the study has targeted 150 customers and the sample technique used was the convenience sampling, whereby subjects are selected because of their convenient accessibility and proximity to the researcher. It should also be noted that 150 questionnaires were
distributed among the five supermarkets whereby 30 respondents were allocated to each supermarket and were interviewed accordingly and the total response rate amounted to 150 respondents. The Statistical Packages for Social Sciences (SPSS 16.0) for Windows were used to analyze the data collected.

5.0 Research Findings

From a demographic perspective, 38% of the respondents were between 35 and 51 years, followed by 35% between 25 and 35 years, 16% were of age between 18 and 25 years and 11% represented respondents above 51 years. In terms of education level, the data collected showed that 39% of the respondents were degree holders, 35% have attained Higher School Certificate Level; whilst 26% have attained School Certificate Level. From a gender perspective, it has been observed that 60% of the respondents were female and 40% were male. As far as marital status was concerned, the majority of the respondents were married people (51%) and singles accounted for only 49%.

5.1 Preference of Supermarkets

Based on the empirical findings, there is a high frequency of visits to Way (24%), followed by 23% of respondents who have visited Super U. 20% have visited Winners, 18% have visited GSR, whilst 15% have visited Kaddy Plus. Moreover, the respondents were also asked to rate their supermarkets from most preferred to least preferred and the findings showed that the majority of respondents mostly prefer and visit Super U Supermarket (29%) followed by 27% who feel that they are satisfied with Way Supermarket and 31% have a neutral preference concerning Winners Supermarket. The respondents had an average preference (28%) for Kaddy Plus and the least preference for GSR (40%).

5.2 Quality Objective

From the empirical findings, it can be revealed that the majority of respondents choose their supermarket based on availability of Good Quality products (54%). While 23% of the respondents have a Neutral response with regards to quality ratings, only 18% of the respondents would go for Best Quality shopping. 5% of the respondents showed that they would still shop in a supermarket despite Low Quality goods are available. A survey was also carried out to assess quality of service in relation to the following factors: Hygiene and Sanitation, Fresh fruits and Vegetables, Branded Products, Value
for Money, Customer Friendly, Courtesy and Politeness of Staff. The majority of respondents agreed that good quality service is when supermarkets provide Branded products (67%) followed by Hygiene and Sanitation (74%), Fresh fruits and Vegetables (67%) as well as Value for Money and Customer Friendly (37%).

5.3 Speed/Dependability Objective

Generally, people prefer faster service delivery. For the study in question, respondents were asked to rate their level of agreement with respects to four characteristics. As per survey findings, 61% of the respondents agree that stock of products/brands is always available and 58% agreed that there is immediate availability of goods. 40% claimed that there is a well-organized store layout to facilitate purchase. However, there is less agreement concerning quick customer service (53%).

Dependability means ‘being on time’. The dependability objective was measured on a likert scale where respondents were requested to rate their satisfaction on dependability based on six factors. Based on the empirical findings, 56% of the respondents perceive that amount of time spent in queues is reasonable and there is timely delivery of both products and services (61%). 68% of the respondents claim that opening hours are convenient, hence customers receive their products/services on time.

5.4 Flexibility Objective

Flexibility means adapting to changing circumstances quickly without disrupting the rest of the operation. According to survey findings, 76% of the respondents perceive that the supermarkets provide them with a wide range of products, followed by 67% who agree that supermarkets meet their individual expectations for product and service. 65% agree that there is appropriate and punctual information on sales promotion. However, there are 45% of the respondents who believe that supermarkets cannot manage crowds effectively on peak days. The important point to remember is that flexibility always means ‘being able to change the operation in some way’ (Newman, 1995). Hence, this justifies the need for the above supermarkets to change their operations in terms of managing crowds.
5.5 Customer Loyalty and customer satisfaction

Customer loyalty is one of the most frequently addressed subjects in customer service literature (Andreassen, 1999 and Lindestad, 1998). Based on the survey carried out, 78% of the respondents are likely to switch supermarkets. The survey has also provided the motives behind such switching. For instance, each supermarket provides different sales promotions at different intervals of time and different variety of products and services. Most of the studies on customer loyalty (Parasuraman et al., 1988; Anderson and Sullivan, 1993; Andreassen and Lindestad, 1998a; Lin and Wang, 2006) have concluded that customer satisfaction is one of the major determinants of customer loyalty. Besides customer satisfaction, low perceived value compels customers towards switching to competing businesses in order to increase perceived value which consequently contributes to decline in loyalty (Anderson and Srinivasan, 2003). However the study also claims that 20% of respondents will not switch supermarkets due to convenience of supermarket location and customer derive high level of satisfaction from one supermarket.

As far as customer satisfaction is concerned, the empirical findings demonstrate that 75% of respondents are satisfied with the overall level of performance of their most preferred supermarket, 15% have a neutral opinion and 10% are dissatisfied.

5.6 Hypothesis Testing

5.6.1 Quality and Customer Satisfaction

H$_0$: There is no significant correlation between quality and customer satisfaction.

H$_1$: There is a significant correlation between quality and customer satisfaction.
Table 1: Pearson Bivariate Correlation between Quality and Overall Customer Satisfaction

<table>
<thead>
<tr>
<th>Pearson Bivariate Correlation</th>
<th>Overall Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hygiene and Sanitation</td>
<td>0.681**</td>
</tr>
<tr>
<td>Fresh Fruits and Vegetables</td>
<td>0.578**</td>
</tr>
<tr>
<td>Branded Products</td>
<td>0.576**</td>
</tr>
<tr>
<td>Value for Money</td>
<td>0.526**</td>
</tr>
<tr>
<td>Courteous and Polite Staff</td>
<td>0.475**</td>
</tr>
<tr>
<td>Customer Friendly</td>
<td>0.377**</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

It can be noted that all the correlations between quality and overall customer satisfaction are positively correlated. This shows that quality is an important determinant in enhancing customer satisfaction and support the view of Oliver (1997) that satisfaction is closely linked with the quality of the product or service. It can be noted that there is a positive relationship between the overall customer satisfaction expressed in terms of hygiene and sanitation provided in supermarkets ($r= 0.681, p< 0.01$). Similarly, there exists a positive correlation between the availability of fresh fruits and vegetables and overall customer satisfaction ($r= 0.578, p< 0.01$). We therefore accept $H_1$ concluding that there is a significant correlation between quality and customer satisfaction.

5.6.2 Speed/ Dependability and Customer Satisfaction

$H_0$: There is no significant correlation between speed/dependability and overall customer satisfaction.

$H_1$: There is a significant correlation between speed/dependability and overall customer satisfaction.
Table 2: Pearson Bivariate Correlation between Speed/Dependability and Overall Customer Satisfaction

<table>
<thead>
<tr>
<th>Pearson Bivariate Correlation</th>
<th>Overall Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timely Delivery</td>
<td>0.543**</td>
</tr>
<tr>
<td>Quick Customer Service</td>
<td>0.520**</td>
</tr>
<tr>
<td>Convenient Opening Hours</td>
<td>0.478**</td>
</tr>
<tr>
<td>Advertised Product in Stock</td>
<td>0.442**</td>
</tr>
<tr>
<td>Organised Store Layout</td>
<td>0.418**</td>
</tr>
<tr>
<td>Unavailable discounted products</td>
<td>0.379**</td>
</tr>
<tr>
<td>Likely to switch supermarket</td>
<td>0.353**</td>
</tr>
<tr>
<td>Reasonable queue</td>
<td>0.262**</td>
</tr>
<tr>
<td>Well located parking</td>
<td>0.218**</td>
</tr>
<tr>
<td>Immediate re-stocking of goods</td>
<td>0.196**</td>
</tr>
</tbody>
</table>

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

It can be seen that there is a strong positive relationship between the overall customer satisfaction and the provision of timely delivery ($r= 0.543$, $p<0.01$), quick customer service ($r= 0.520$, $p<0.01$) and convenient opening hours ($r= 0.478$, $p<0.01$). Moreover, the availability of products in stock also shows a positive relationship with customer satisfaction ($r= 0.442$, $p<0.01$). Many researchers have studied the influence of waiting time on customer satisfaction/loyalty (Taylor, 1994; Pryun and Smidts, 1998; Bielen and Demoulin, 2007) and according to them, although waiting time does not affect loyalty directly, it influences service satisfaction which has a direct effect on customer loyalty. We therefore accept $H_1$ concluding that there is a significant correlation between speed/dependability and customer satisfaction.

6.0 Recommendations

Research results reveal that overall customer satisfaction is quite significant, however there is still room for improvement with regards to the four operational performance objectives analyzed in this study. In relation to the quality objective, the survey results have shown that a small proportion of customers have unsatisfactory perceptions with regards to the level of customer service. Therefore the supermarkets should pay more attention to this particular aspect of quality as perceived behaviour of employees is a strong determinant of service quality in the retailing sector. In connection to this, the
organizations should plan and conduct relevant training to improve the customer care skills of the employees.

Survey results indicate that that customer's perception with regards to the speed objective is not favorable to some extent for two parameters namely speed of customer service and immediate availability of goods. Supermarkets should therefore lay more emphasis on reviewing the effectiveness of their operational procedures with regards to service delivery. Any changes in the procedures should then be communicated to the employees. If this is properly implemented, the employees will be in a better position to perform their respective work in a more effective and efficient manner. Furthermore, supermarkets should closely monitor the stock level of their items on a regular basis and should also study the consumption pattern of their products. This will help the supermarkets forecast to a good degree of accuracy the demand of their products both in the short-term and long-term.

Research results have shown that 20% of the respondents perceive that queuing time is not reasonable. The findings have also revealed that customer’s perception is not favorable to some extent in relation to the ability of the organization to adjust to the number of customers served during busy periods, as 35% of respondents perceive that the supermarkets have difficulties in managing crowds on peak days. To improve their dependability and volume flexibility, the supermarkets should lay greater emphasis on adjusting their capacity to meet customer’s demand by, for instance, recruiting part-time staff for less than the normal working day on peak days or during busy periods. This method is extensively used in service operations such as supermarkets and fast-food restaurants (Slack et al., 2010). The supermarkets should also encourage job flexibility in the work place, they should train the workers to be multi-skilled so that during busy periods staff from other sections could serve on idle check-out counters to reduce queuing time to a minimum. The adoption of this flexible approach could further be reinforced by promoting teamwork in the organization. Finally, the supermarkets should also consider the option of investing in technological improvements such as self check-out points to speed up check-out processes and reduce long waiting queues.

7.0 Conclusion

The aim of this research was to make an assessment of the four performance objectives of quality, speed, dependability and flexibility in a retail organization such as a supermarket. For the purpose of this study, five well known supermarkets in Mauritius were chosen. Quality as an operating objective has a major influence on customer satisfaction and loyalty. This has been supported by both literature and empirical findings that define a good quality service as availability of branded products, fresh fruits and vegetables and good hygienic and sanitary conditions. Being able to do things fast is another performance objective highly demanded by customers who, armed with information, expect faster service and consistent responses. Based on survey findings, it has been found that supermarkets in Mauritius achieve such aim by providing a well-
organized store layout to facilitate purchase, provide quick customer service and ensure availability of goods on shelf all the time. The dependability objective which has been defined as meeting customer needs on time was also measured in the Mauritian context and findings showed that there is timely delivery of both products and services, customers perceive the amount of time spent in queues as reasonable and opening hours suit their convenience, hence customers receive their products/services on time. Flexibility as an operating objective is crucial if supermarkets want to survive and evolve in a dynamic environment. It can be concluded from the research survey that the five local supermarkets provide appropriate and punctual information on their sales promotion and meet customer expectations. However, there is evidence of encountering difficulties in managing crowds on peak days. Hypothesis testing was carried out to find the correlation between quality and customer satisfaction and speed/flexibility and customer satisfaction. In both cases, the tests showed that there is high positive correlation between the two hypotheses.

In a nutshell, it is critical for supermarkets to improve the performance of people and operational processes in order to increase business effectiveness. Supermarkets must find a consistent approach to measuring and monitoring operational performance throughout the organization and determine which approach can best fit their requirements. Ultimately, by improving the performance objectives of quality, speed, dependability and flexibility, these businesses can have a global growth and high level of customer satisfaction.

8.0 Direction For Future Research

It is apparent that this study has highlighted and attempted to analyze some significant issues in assessing the operational performance of supermarkets. It should be noted that research has been conducted only in the context of customers. Furthermore the present study has referred to a number of sources which highlighted perceptions that customers have while visiting a supermarket, in terms of quality, speed, flexibility and dependability. However one important operations performance objective has been missed in the study, which is Cost. Another study could be carried out to take into consideration the Cost objective as well. Future research projects can be carried out to complement and validate this research. A case study on the organizations’ performance can provide additional evidence to support the findings. Hence there is a need for more in-depth research into the complexity of assessing a retail business’ operations. In addition, more relevant studies into the attitudes of managers and employees dealing with customer service could be carried out within the supermarkets as the present study has only incorporated the perceptions of customers of the supermarkets. Cross-sectional studies between supermarkets and hypermarkets could also be carried out to evaluate to what extent the operational performance differs.
REFERENCES


