Importance - Performance Analysis of Retail Factors for a Fashion Apparel Retailer in Tamilnadu

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ABSTRACT

This study focuses on the buying behaviour, perception, buying decision and expectation towards the retail Showroom, its Products and Brand image. Customer experience was evaluated on the basis of awareness, interaction, use, attraction, purchase and values.

The researcher collected the data from a fashion apparel retail showroom. The data was collected from 150 customers through a pretested questionnaire using convenience sampling method. Importance performance matrix is used to analyze the data. It is found that majority of the respondents are quality conscious. Most of the respondents are loyal customers who purchase at the retail showroom for more than 2 years. The overall shopping experience and satisfaction level of the customers are found to be high.

The researcher suggested that the retailers should introduce more trendy and innovative designs and take care of after sale services, to retain the loyal customers. The customers recommend introducing products with less price and more offers in the future.

Keywords------ Apparel retailing, Retail buying behaviour, Retail shopping, Importance Performance Analysis.

I. INTRODUCTION

The reputation of a business may be affected by what its customers think and say about its products or services. This is driven by the experience of customers when dealing with the business. High quality customer service will encourage customers to become regular or repeat users or purchasers. On the other hand, a poor customer experience may damage a business through loss of consumer confidence. Customer experience in what customer perceives consciously and subconsciously about the products and services of the company. It is a positive or negative mentality that is built on a customer’s psyche after a period. A customer experience strategy is a plan that is followed by an organization to deliver superior customer service. The plan involves various customer experiences when he interacts directly with different parts of the organization.

II. REVIEW OF LITERATURE

The article of PR Newswire (2010) studied on the extent of the need to make promotion and savings related information accessible to the customers. The article concluded that the retailers need to make promotion and savings related information more easily accessible across all shopper touch points and the retailers and manufacturers have to optimize their search engine due to the explosion of online resources and new mobile phone shopping apps.

Siddiqi, Kazi Omar (2011) studied on the interrelationships between service quality, customer satisfaction and customer loyalty in the retail banking sector in Bangladesh. This was the first study to be conducted on the interrelationships between these factors and 100 retail banking customers of different Bangladeshi banks were taken as sample for the purpose of the study.

Bansal, Alok, Choubey, Vardhan (2013) explored the various dimensions affecting shopping behaviour of customers in any retail outlet. Non-probability judgemental sampling and factor analysis were used. The study also suggested further research and study be conducted by taking into consideration various other factors such as other geographical areas, behavioural segmentation and demographic and social variables.

Hyun-Hwa, Lee, Kim, Jihyun (2009) examined the relationship between consumers’ retail purchase experiences for their own use and for gift shopping for others in a multichannel retail context. Females from a large US Midwestern University were surveyed using a self-administered survey method. The findings showed that for all retail channels, there are significant and positive relationships between shopping experiences for their own use and gift purchase experiences.

Mulhern, Francis J; Michael, Judd H (1995) argued homcenter stores to be one of the most important types of retailers for the sale of wood products.
to consumers. They examined the effectiveness of loss leaders as a homecenter promotion strategy and also illustrated the impact of loss leader pricing on the shopping behavior of consumers. The results of the study showed that such loss leader pricing attracts additional shoppers to the homecenters and wood product producers can also benefit by understanding how such promotions affect sales of their products to retail customers.

### III. OBJECTIVES OF THE STUDY

- To identify the customer experience and their satisfaction level for retail products.
- To find out the consumer perception on retail store, Products and Brand Image.
- To study the factors influencing the customer decision making for Brand choice.

### IV. RESEARCH METHODOLOGY

In this survey the convenience sampling method was used because the samples are collected only from the customers of the retail store who are willing to participate in the research by sharing their view about the retail store by filling the given questionnaire. In Trichy showroom there are nearly 200-250 customers make purchase in a month, a sample of 150 was collected.

### V. DATA ANALYSIS AND FINDINGS

#### Demographic Profile

Out of 150 respondent majority are male (54%) and 46% are female. Majority of the people who shop at this retail store are in the age group of 21-30 years, 61% of the customers fall in this group. Majority of the respondents who shop at this retail store are unmarried, 74% fall in this group. Majority of the respondents who shop at this retail store are under graduates, 52% fall in this group. From the analysis it is found that 53% of the respondents are students. Most of the customers are in the income level of 10,000-20,000, 20% fall in this group. From the analysis it is found that majority of the respondents visiting this retail store less than 1 year, 40% fall in this group. From the analysis it is found that majority of the customers knew this retail store through old customers, 56% fall under this group.

#### ANOVA for Age and Buying Attributes

A statistical analysis tool that separates the total variability found within a data set into two components: random and systematic factors. The random factors do not have any statistical influence on the given data set, while the systematic factors do. The ANOVA test is used to determine the impact independent variables have on the dependent variable in a regression analysis.

#### Table 1.1: Mean values for shopping attributes across Age groups

<table>
<thead>
<tr>
<th>Age of the respondent</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20</td>
<td>1.4111</td>
<td>26</td>
<td>.30216</td>
</tr>
<tr>
<td>21-30 years</td>
<td>1.3717</td>
<td>92</td>
<td>.22903</td>
</tr>
<tr>
<td>31-40 years</td>
<td>1.3167</td>
<td>12</td>
<td>.24802</td>
</tr>
<tr>
<td>Above 40</td>
<td>1.3600</td>
<td>10</td>
<td>.06413</td>
</tr>
<tr>
<td>Total</td>
<td>1.3760</td>
<td>150</td>
<td>.23960</td>
</tr>
</tbody>
</table>

Source: Primary data

With reference to the buying attributes deals with age of the respondent of less than 20years have indicated higher influence (Mean score 1.4) and those with an buying attributes of 31-40years have indicated relatively low influence (Mean score 1.31)

**The Association between Age and Buying attribute using ANOVA with following Hypothesis**

H1₀: There is no significant association between age and buying attributes.

H1₁: There is significant association between age and buying attributes.

#### ANOVA for Occupation and Buying Attributes

- There is significant association between age and buying attributes.

With reference to the buying attributes deals with Occupation of the respondent students have
indicated higher influence (Mean score 1.38) and those with an buying attributes of others have indicated relatively low influence (Mean score 1.35)

The Association between Occupation and Buying attribute using ANOVA with following Hypothesis

H2o- There is no significant association between occupation and buying attributes.
H2a- There is significant association between occupation and buying attributes.

Table 2.2: ANOVA Results for Occupation Vs Shopping Attributes

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>.026</td>
<td>1</td>
<td>.009</td>
<td>.151</td>
<td>.929</td>
</tr>
<tr>
<td>Within groups</td>
<td>8.527</td>
<td>146</td>
<td>.058</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8.554</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the above table, the null hypothesis is accepted at 5% and thus it is proved that there is no significant relationship between the occupation and buying attributes as the p value is .929 (p>0.05)

VI. IMPORTANCE PERFORMANCE ANALYSIS

A performance metric is that which determines an organization’s behaviour and performance. Performance metrics measure an organization’s activities and performance. While traditionally many metrics are finance based, inwardly focusing on the performance of the organization, metrics may also focus on the performance against customer requirements and value

Quadrant I (High Importance/Low Performance) is labelled concentrate here. Attributes that fall into this quadrant represent key areas that need to be improved with top priority.

Quadrant II From the above Table 4.20.2 researcher found that sales personnel, availability of brand and visual merchandising falls under second quadrant (High Importance/High Performance) is labelled keep up the good work. All attributes that fall into this quadrant are the strength and pillar of the organisation, that they should maintain this same.

Quadrant III (Low Importance/Low Performance) is labelled low priority. Thus any of the attributes that fall into this quadrant are not important and pose no threat to the organisation.

Quadrant IV (Low Importance/High Performance) is labelled as possible overkill. It denotes attributes that are overly emphasized by the organizations, therefore organization should reflect on these attributes, instead of counting to focus in this quadrant they should allocate more resources to deal with attributes that reside in quadrant I

IP Matrix for Store Factors

<table>
<thead>
<tr>
<th>Store</th>
<th>Importance(Mean)</th>
<th>Performance(Mean)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Atmosphere</td>
<td>3.9</td>
<td>4</td>
</tr>
<tr>
<td>Designs &amp; infrastructure</td>
<td>3.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Availability of brand</td>
<td>3.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Sales personnel</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Visual merchandising</td>
<td>3.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Average</td>
<td>3.7</td>
<td>3.8</td>
</tr>
</tbody>
</table>

From the above chart researcher inferred that nothing falls under first quadrant of high importance/low performance.

Quadrant II. From the above chart researcher inferred that atmosphere, design & infrastructure, location falls under second quadrant, high importance given and performance of the retail store is also high. Hence it is interpreted that the retail store has to maintain the current strategy.

Quadrant III. Visual merchandising, Availability of brand, sales personnel falls under third quadrant here customer is not giving more important and the retail store performance also low in this quadrant. Hence it is interpreted that the retail store can offer basic service for these factors.

Quadrant IV. From the above chart researcher inferred that nothing falls under fourth quadrant of low importance/high performance.

IP Matrix for Product Factors
Quadrant I. From the above table 4.21.2 the researcher inferred that service fall under this quadrant this shows customer giving more importance to this factors but the retail store is not performing up to the expectation of the customer. Hence it is interpreted that the retailers has to improve its service.

Quadrant II. Design, availability & variety fall under second quadrant here customer gives high importance to this factors and the retail store is performing well. Hence it is interpreted that the retailers has to maintain the current strategy.

Quadrant III. Advertisement fall under third quadrant here customer gives less importance to this factor retailers performance is also low. Hence it is interpreted that the retailers can offer basic service for these factors

Quadrant IV. latest trend, quality of products falls under fourth quadrant customers giving low importance but the retailer’s performance is high. Hence the retailer’s can bring down their efforts as customer does not give high importance.

IP Matrix for Value Factors

Quadrant I. From the above table researcher inferred that nothing falls under this quadrant of high importance/low performance.

Quadrant II. From the above table researcher inferred that price and offers falls under this quadrant of high importance/high performance. Hence it is interpreted that the retailer has to maintain the current strategy.

Quadrant III. From the above table researcher inferred that nothing falls under this quadrant of low importance/low performance.

Quadrant IV. From the above table researcher inferred that social status, after sale service, brand name fall under fourth quadrant of low importance/high performance. Hence it is interpreted that customers giving less importance but the retailer is performing high. Hence the retailer’s can bring down their efforts as customer does not give high importance.

VII. RESULTS AND DISCUSSIONS

Out of 150 respondent majority are male (54%) and 46% are female. Majority of the people who shop at the retail store are in the age group of 21-30 years, 61% of the customers fall in this group. Majority of the respondents who shop at the retail store are unmarried, 74% fall in this group. Majority of the respondents who shop at the retail store are under graduates, 52% fall in this group. From the analysis it is found that 53% of the respondents are students. Most of the customers are in the income level of 10,000-20,000, 20% fall in this group. From the analysis it is found that majority of the respondents visiting the retail store less than 1 year, 40% fall in this group. From the analysis it is found that majority of the customers knew the retail store through old customers, 56% fall under this group.
From the analysis it is found that majority of the customers prefer reasonable price and good quality products. From the analysis it is found that majority of the customers prefer the retail store retail store because of its attractive designs, 60% fall under this group. Majority of the customers spend less than 3000 on their shopping at the retail store. From the analysis it is found that majority of the customers shop at the retail store visit the store monthly, 44% fall under this group. It is found that majority of the respondents change their retail store, 51% fall under this group.

Majority of the respondents change their retail store for latest fashion. Product quality, collections and price are most preferred factors for the retail store. Convenience, fast checkout, customer service and trial room facilities are most preferred factors for the retail store. Location, design and infrastructure customer giving importance but the retail store performance is lacking in these areas. In product relevant factors customer is not giving more importance to atmosphere and variety but store performance is high. In values customer giving more importance to brand name, price, offers, social status and after sales service but the retail store performance lacking in this areas. In this analysis it is found that majority of the customers recommending the retail store to their friends 86% of the respondents have rated their overall shopping experience as ‘Good’, 12% of the respondents have rated their overall shopping experience as ‘Excellent’. 70% of the respondents mentioned that they need some improvements in trial room facility and billing counters.

VIII. IMPLICATIONS FOR APPAREL RETAILERS

Introduce trendier designs like bright colour kurtas, they can introduce unique designs and new models like fish cut tops. The retailers can get feedback from each customer so that they can understand what customer expect and they can make changes accordingly because the customers feel that the products are to be more creative and fashionable so the customers feel privilege to have the updated designs and pride to have unique designs in updated trend.

Spread awareness about availability of new products and offers through mass media through which customer know about the offers. The board in front of the retail store will attract only the customers pass by the retail store and the loyal customer will know through messages but other new prospects won’t be aware of offers and discounts in the retail store so the retailers can advertise in tv, internet and they can keep hoardings in main areas.

The offers and discounts for customers are low, especially for loyal customers who are making maximum purchase in retail store, so if the offers like discounts can get them some benefits. Loyalty programs can be conducted. New offers can be provided to loyal customers like providing them gift voucher or the retail store can give some surprise gifts to loyal customers. Especially carry bag charges can be avoided otherwise for the money they collect they can provide quality bags. Compared to all other aspects in retail store they are lacking in customer service, the sales person should be more interactive and more knowledgeable about the product or it will spoil loyal customers. The retail store can appoint one person for folding, hanging and for floor maintenance so that other sales persons can attend the customers without any work and sales person should have proper knowledge about all products that available in store so that customers will be satisfied through their fast checkouts.

In store relevant factors, customers are giving less importance to atmosphere and infrastructure but the retail store performance is very high in these areas so retailers can reduce this and can improve lacking areas.

In product relevant factors, customers are giving more importance to quality of products and latest trend but here the retail store performance is lacking. The retail store can improve this by providing good quality products and can introduce new trends.

In values relevant factors, customers are giving more importance to brand name, after sale service, offers, social status but the retail store is lacking in its performance retailers should improve its performance level.

IX. CONCLUSION

From the study it is found that quality plays a major role for customer buying behaviour in the retail store, the second major part which influences their buying attitude is its design that suits for different set of people since it is more customized. Then the next factor is brand image of the retail store which causes more delight for the customer s to show their social status.

It is seen that the satisfaction level about the overall service slightly depends on response time or price but majorly depends on the level of satisfaction with durability and quality. It is therefore clear that the customer’s perception about service level depends on their experience about quality and its characteristics of long life.

It is also seen that satisfaction level with quality depends on the product, values, and store related factors that are experienced by the customers. Therefore the retailer should make efforts to ensure that the image, ambience and quality are always maintained to the fullest satisfaction at the customer end. This will improve the customer’s overall experience of the product which will result in the differentiation of the retail offer.

REFERENCES

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