Impact of Salesperson’s Service Quality on Customer Buying Behavior in Fashion Retail Sector

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Abstract: Purpose – This paper tries to assess the effect of salesperson service quality on consumer buying decisions. Design/methodology/approach – Under this research SERVQUAL scale has been utilized after certain modifications vis-a-vis salespersons service quality in the fashion products industry. Customer buying decision was also measured through a self-developed scale. Responses from 110 customers were obtained at the time of leaving the store. Findings – The findings were surprisingly different from previous researches as tangibles were rated the highest influence on customer buying decision. Research limitations/implications – The study was conducted in a Capital city of India i.e. Delhi and Capital of Uttar Pradesh, i.e. Lucknow. Therefore the findings cannot be generalized for the whole country. The findings may not be consistent with other retail settings. Originality/value – The findings can help a salesperson to work on the areas of service quality which facilitates repeated customer contact and increased sales. Keywords: Salesman Service Quality, SERVQUAL, Fashion Retailing, Customer Buying Decision.

I. INTRODUCTION

Fashion industry has been rapidly changing by not only domestic and foreign players who intensify competition from both domestic and foreign firms by a torrent of mergers and acquisitions, but also by more demanding customers with greater expectations (Sellers, 1990; Smith, 1989). The choice of a customer plays an important role in fetching more profits and market share. Consequently, better salesperson service quality and good products are needed for the growth in this cut-throat competition. Salesperson sales quality is the only dimension that can differentiate a service from other service providers. The fashion industry has succeeded in providing good quality products in a lesser amount of time, as the shipments for these products reached frequently. Therefore by emphasizing on improved service quality they can compete in the market easily [7]. Groonos (1984) divided service quality in two forms i.e. functional and technical is suggested that customer buying behavior usually is an outcome of good service quality [2]. Determinants of salesperson’s service quality and its influence on customer buying behavior is a central concern for researchers and practitioners in retail sector, increasing a need to understand service quality dimensions from customers’ perspective (Johnston, 1995). It has been advocated by many researchers that customer loses interest due to service quality rather than product quality in fashion industry (Whitney, 2001). Therefore, service quality in fashion world has become an important theme for research as all the firms in the area struggle to retain customers [6]. There are numerous studies on service quality and customer buying behavior, However there is dearth of researches dealing with salesperson’s service quality and its impact on customer buying decisions in fashion retail industry. Therefore after extant literature review it was decided to design a study in this regard, this study tries to fill this gap and assess the degree of influence of salesperson’s service quality on Customer buying decision. This could help firms to transform their training patterns for sales executives and finally leads to increased profits and market share. The structure of this study is given as follows: Firstly, an extant review of the literature with regard to salesperson’s service quality and customer buying behavior in fashion retail industry was done. Secondly, research items were identified. Thirdly, data collection was completed with the help of questionnaires. Fourthly, the analysis was performed with the help of Lisrel 8.80. Fifthly, results were interpreted from measurement and structural model. Finally, the research concludes with a discussion.

II. FRAMING LITERATURE

a) Salespersons’ service quality dimensions

There are various viewpoints on salesperson’s service quality as Groonos (1984) defined service quality as a judgment that is perceived by the customer by comparing the service delivered and expected. It was also believed that quality of service quality can be referred to difference in service quality received and expected and expectation can be benchmarked based on previous service quality received. Other researchers in the area also draw similar inferences regarding service quality [3, 9]. SERVQUAL [10] is the most popular scale and the most widely used. It considers customers’ perception in the model. The popularity of this scale is undoubted as it has been used in many sectors after certain modifications. There are various studies even in the field of healthcare utilized this scale for assessing service quality in healthcare delivery. This scale had emerged after prolonged and justified deliberations in the area. Scale proposes five dimensions of service quality. That includes tangibles, reliability, responsiveness, assurance, and empathy.

(a) Reliability refers to the ability of the salesperson to provide service timely and consistently.

(b) Responsiveness refers to the readiness of salespersons to provide good service.

(c) Assurance refers to the ability of a salesperson to facilitate trust and confidence.
Impact of Salesperson’s Service Quality on Customer Buying Behavior in Fashion Retail Sector

(d) Empathy refers to caring about customer needs and complaints.

(e) Tangibles include the overall appearance of the sales executive.

b) Customer buying behavior and decision making

As it is rightly noted and said that human behavior is the most complex thing in this whole world. There are numerous researches being carried out on customer buying behaviors. The companies assigned half of their annual budgets in designing marketing policies according to customer buying behaviors. However, due to its changing phenomenon and dependency on many determinants it has proved to be a daunting task to understand it. This study designed scale to measure customer buying decision with the help of items quoted in the literature.

III. RESEARCH METHODOLOGY

This study gathers items from the relevant literature regarding service quality and customer buying decision determinants and utilized SERVQUAL (15 items refined scale) [13].

a) Items and dimensions used

Independent variables

The scales were refined after assessing unidimensionality through factor analysis, the refined scales for SERVQUAL used were

(a) Reliability (3 items scale).

(b) Responsiveness. (3 items scale)

(c) Assurance (3 items scale)

(d) Empathy (3 items scale)

(e) Tangibles (3 items scale)

Dependent variable:

(a) Customer buying decision (4 items refined scale)

The questionnaire was designed in light of the literature review and a five-point Likert scale from “strongly agree” to “strongly disagree” was used. A pilot study for 20 respondents was also conducted to test the questionnaire’s content validity and other issues.

b) Sample frame and Sample Element

The most popular shopping districts Capital city of India i.e. Delhi and Capital of Uttar Pradesh, i.e. Lucknow were selected; the respondents are the customers who were present at the shopping stores. The respondents were randomly selected for collecting data. Questionnaires were filled up by asking their responses, some respondents took questionnaires with them and asked to send it by mail. A sample of 110 was achieved.

Demographic findings

Table 01: Profile of customers (Gender)

| Gender | Frequency | Percent |
|--------|-----------|---------|
| Female | 92        | 83.63   |
| Male   | 18        | 16.36   |
| Total  | 110       | 100     |

More than 80% of the respondents were females.

Table 02: Profile of customers (Age)

| Age(Years) | Frequency | Percent |
|------------|-----------|---------|
| 15-25      | 72        | 65.45   |
| 15-25      | 36        | 32.7    |
| More than 35 | 12    | 10.9    |
| Total      | 110       | 100     |

Customers were mostly between the ages of 15 and 25 (65 percent).

Table 03: Profile of customers (Marital status)

| Marital Status | Frequency | Percent |
|----------------|-----------|---------|
| Single         | 80        | 72.72   |
| Married        | 30        | 27.27   |
| Total          | 110       | 100     |

More than 80 percent of the respondents were single.

IV. DATA ANALYSIS

a) Measurement Model:

After data collection, the responses were analyzed using SEM by Lisrel 8.80, reliability and validity of all the scales were assessed. Cronbach alpha which is a test of reliability is estimated 0.80 as suggested acceptable [8]. Unidimensionality for all the research scales was assessed through confirmatory factor analysis (CFA) all the scales were trimmed and made unidimensional by trimming method. The results of CFA are given as under:

Fig 01: Showing CFA results for all study scales

Since all study scales are adopted from previous studies, therefore, CFA was performed directly, it is also advocated that CFA is a more developed technique to factor analysis. After CFA all the scales found to be unidimensional and the values were in acceptable range. The lowest standard loading was 0.44.

b) Structural model

SEM has advantages in quantitative research (Kline, 1998; Mueller, 1996). Following the footsteps of Malhotra (2007), after assessing unidimensionality, reliability, and validity, structural model was assessed by putting all independent variables and
dependent variables in a single model [15]. The model shows good fit with the data and the path value coefficients were significant. The structural model assessed is given as under in Fig 02. The fit indices for the model are:

| Model | GFI | CFI | NFI | RMSEA | Chi/df |
|-------|-----|-----|-----|--------|--------|
| 1     | 0.8 | 0.81| 0.78| 0.172  | 4.2    |

All the values are in an acceptable range. Comparative Fit Index (CFI), Normed Fit Index (NFI), Root Mean Square Error of Approximation (RMSEA) and chi-square/degree of freedom ratio. This is in line with the recommendations of previous researchers [16, 17, 18, 19, 20, 21]. The structural model shows good fit and it was apparent that all the determinants of SERVQUAL are significant and plays an important role in shaping customer buying decision, however tangibles (TAN) plays a relatively important role with highest path value (0.62) and responsiveness (RES) records second important element in salesperson service quality. Secondly assurances record lowest path value (0.14) and proved that (ASR) has a lesser role to play in customer buying decision of service. Thirdly, reliability and empathy records similar path values (0.23) and proved to be significant measures of service quality in fashion retail sector.

VI. LIMITATIONS

As every research has, this research also suffers from some limitations due to time, money and methodological constraints. The study was conducted in only 2 Districts; therefore findings cannot be generalized in other cities of India. The study suffers from cross sectional research design limitations; longitudinal research design would give a better understanding of the customer buying decisions.

VII. FUTURE RESEARCH DIRECTIONS

The study can be exported to more developed fashion retail markets. i.e. this study can be conducted abroad to understand retail dynamics and customer preferences from abroad. A longitudinal research design would give a better understanding of the customer buying decisions. The research can include practitioners from the industry as well for having comprehensive perception of service quality and customer buying behavior.

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Impact of Salesperson’s Service Quality on Customer Buying Behavior in Fashion Retail Sector

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