Effects of Four Factors on the Customer Satisfaction of Footwear Products

M. M. MofizUddin¹, S M Sohel Rana²
¹,²Sr Lecturer, Faculty of Business, Northern University Bangladesh

Abstract: Customer satisfaction is very important for any organization because the satisfied customers do business for longer period; they talk favorably about the products and buy more when the organization introduces new products. The objective of this study is to identify the factors influencing the customer satisfaction of footwear products. For the purpose of the study, data were collected from the respondents with a structured questionnaire survey using 5-point Likert scale with response options ranging from strongly agree (5) to strongly disagree (1). The respondents were surveyed just after buying the products from the Apex showrooms located in the capital city (Dhaka) of Bangladesh. Collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the support of the software Smart PLS 2.0 M3. From the statistical findings, the products quality was found to be the most significant followed by promotion and price of the products in influencing the customer satisfaction of Apex footwear products. The findings of this study can be important guidelines for the footwear products manufacturers. On the basis of the findings of this study, they can formulate strategies that might help them to achieve organizational goals by satisfying customers.

Keywords: Customer satisfaction, Footwear products, products quality, price, location, promotion.

1. INTRODUCTION

Footwear is the product to protect human feet from effects of all biological damages. The necessity of using footwear was recognized back in the Ice Ages when people realized that they had to keep their feet warm in order to keep themselves healthy. Footwear has undergone a series of changes passing through a journey of inventions. While initially leather and dried grasses were used to wrap around the feet for protection, it evolved into more comfortable wear with leather strapping for a better hold. Eventually it metamorphosed into an accessory and a fashion statement besides providing protection for the feet. A host of demographics, lifestyle, and fashion trends drives the footwear business. Ideally, the market for this industry is as big as the population itself. It would therefore, not be an exaggeration to say that globally the footwear industry is having an expanding market. As the world population increases; so, the living standards of people rise thus increasing the demand for footwear. Consequently, the footwear industry is getting dynamic and competitive day by day. It is hard for a footwear company to run & even survive in a fast paced, growing and uncertain world if it cannot keep track with the go of business dynamism. In a modern day, shoes are not considered just items of footwear intended to protect and comfort the human foot while doing various activities. Shoes are viewed as items of decoration, fashionable products that are used to enhance self-image. The design of shoes, material selection, pricing, sales person, and attractive store have become important factors that underpin the buying decision of customers. The shoe industry in Bangladesh now faces grim challenges due to rapidly changing tastes of shoe buyers and fierce competition in the footwear market. Besides, shoes marketers are increasingly concerned about how to keep the good and long term relationship with customers and also increase customer loyalty at shoe stores. But it is a matter of concern that no detailed data and marketing research analyses are that much available to help the footwear company to evaluate the leading-edge opportunities critical to the success of the footwear market in Bangladesh. Thus, research on the customer satisfaction in this sector is very significant. In this study, the researchers intend to focus on the customer satisfaction of Bangladesh's footwear market. This study focuses more specifically on Apex Footwear Limited, the second biggest footwear (15% market share) and sportswear manufacturer in Bangladesh. Hence, the prime objective of this study is to identify the factors influencing the customer satisfaction of footwear products.

2. LITERATURE REVIEW

2.1 Customer Satisfaction

Customer satisfaction is defined as an "evaluation of the perceived discrepancy between prior expectations and the actual performance of the product" (Tse and Wilton, 1988, Oliver 1999). Satisfaction of customers with products and services of a company is considered as most important factor leading toward competitiveness and success (Hennig-Thurau and Klee, 1997). Customer satisfaction is actually how customer
evaluates the ongoing performance (Gustafsson, Johnson and Roos, 2005). According to Kim, Park and Jeong (2004) customer satisfaction is customer’s reaction to the state of satisfaction, and customer’s judgment of satisfaction level. Customer satisfaction is very important in today’s business world as according to Deng et al., (2009) the ability of a service provider to create high degree of satisfaction is crucial for product differentiation and developing strong relationship with customers.

Customer satisfaction is defined as customers’ needs and goals when a service is providing a pleasurable level of fulfillment and emotional response (Oliver, 1997). Customer satisfaction is an important factor to understand to satisfy customers about what they need and want. Pleasurable means that fulfillment increases pleasure or reduces displease or anxiety. Fulfillment is determined by the customers’ expectations. Moreover, if the perceived service performance does not meet customer expectations, the likely result is dissatisfaction (Churchill and Surprenant, 1982; Oliver, 1980; Yi, 1990). The level of satisfaction or dissatisfaction is reflected from perceptions and attitudes from previous service experiences, and may influence repurchase intentions (McGuire, 1999). Customer satisfaction is a significant element in service delivery because understanding and satisfying customers’ needs and wants can engender increased market share from repeat purchases and referrals (Barsky, 1992). Overall contentment felt by the customer results from the ability of the service to fulfill the customer’s desires, expectations and needs in relation to the service. Customer satisfaction is rated highly as a strategic end in and of itself, as it affects customer retention and profits directly (Jones and Sasser, 1995; Reichheld, 1996). Customer satisfaction will affect future repeat purchase intentions and the customers will share their positive experiences with other consumers. Satisfaction is affected by many factors. For purposes of this study, we concentrate on four dimensions of customer satisfaction which are products quality, price, location and promotion. These dimensions ad their relationships with customer satisfaction have been discussed below.

2.2 Product Quality

Product quality means the capacity of a product to satisfy some customer needs. According to Frings (2005), the components of product quality of footwear include size measurement, cutting or fitting, material, color, function and the performance of the footwear. Fitting is a crucial aspect in footwear selection because some fitted footwear such as swimsuits and aerobic wear can ideally enhance the consumers’ general appearance. Material is important in product quality because it affects the hand feel, texture and other performance aspects of the product. According to Abraham and Littrell (1995), a composite list of wears attributes has been generated and one of the conceptual categories is design. Consumers’ judgment depends on the consumers’ level of fashion consciousness, so judgment will be conditioned by their opinion of what is currently fashionable. Brands that supply stylish footwear attract loyal consumers who are fashion conscious. According to Sproles and Kendall (1986), fashion consciousness is generally defined as an awareness of new designs, changing fashions, and attractive styling, as well as the desire to buy something exciting and trendy. An important factor affecting customer satisfaction is the product quality. Therefore it can be hypothesized that;

H1: There is significant association between product quality and customer satisfaction.

2.3 Price

Price is a major determinant of consumer choice (Kotler et al., 2009). That is it’s the cost incurred in making a purchase (Tse, 2001), which together with perceived service quality and perceived value influence spending behavior (Rust and Oliver, 1994). Consumers will determine what price can be paid based upon discretionary spending limits (Monroe, 1990). How much a customer is willing to pay depends on what they need, what they expect and their evaluation of the quality of a service at its given time and place (Heskett et al., 1997). High price products and services are believed to be high-quality products and services and their prices are normally higher than lower-quality equivalent products or services as price impacts perceived quality (Curry and Riesz, 1988; Erickson and Johansson, 1985; Lichtenstein et al., 1988). If consumers have no experience in obtaining a service, they therefore make a decision based upon their expectation, image, perception of quality and price (Dodds et al., 1991; Monroe, 1990; Zeithaml et al., 1990). Therefore it can be hypothesized that;

H2: There is significant association between price and customer satisfaction.

2.4 Location

The location of any store is always very important. Location can mean convenience and accessibility. Location can also refer to the number of stores in a particular geographical setting. According to Martinéz-Ruiz et al., (2010), once a location is near to the home then transaction costs associated with purchase such as transport costs and time spent are likely to be reduced. According to Reilly (1931) who developed Reilly law of retail gravitation which proposes that people are drawn to larger shopping thus larger cities tend to attract more
customers to shop their than smaller ones therefore the need for supermarkets to consider location when putting up facilities. This is further supported by Craig et al (1984) who use the central place theory to explain how people living far away are attracted to larger stores which are centrally located in larger shopping malls offering more collection of goods and services than those stores within their own vicinity offering less goods and services. People want to buy products from those stores where they can easily and find their required products. Therefore it can be hypothesized that;

**H3: There is significant association between location of Apex show rooms and customer satisfaction.**

2.5 Promotion

Promotion is one of the important elements of marketing mix. Its objective is to communicate the messages regarding company’s offerings with the target market. For most companies, effective communication is imperative in maximizing customer satisfaction. Poor communication can lead to major sources of conflict, including professional misunderstandings, loss of trust, reduced cooperation, personal attacks in the professional sphere and customer mismanagement. Additional consequences of inadequate communication also include reduced productivity, lack of respect and, in some cases, resignation by employees, customers or vendors (Kotler, 2014). Marketing communications represent the voice of the company and its brands; they are a means by which the firm can establish a dialogue and build relationships with consumers (Kotler, p476, 2014). Marketing communications also work for consumers when they show how and why a product is used, by whom, where, and when. Consumers can learn who makes the product and what the company and brand stand for, and they can get an incentive for trial or use. Marketing communications allow companies to link their brands to other people, places, events, brands, experiences, feelings, and things (Kotler, p476, 2014). Therefore it can be hypothesized that;

**H4: There is significant association between promotion and customer satisfaction.**

3. METHODOLOGY

In place of pointed out aforementioned that this study aims at identifying the factors affecting the customer satisfaction of Apex footwear, a methodological approach was followed to attain the research objectives. There are four independent variables namely products quality, location, price, and promotion and the dependent variable is customer satisfaction. Data were collected from the respondents with a structured questionnaire survey. The items for the variables have been adapted from previous studies in a way so that each item represents the content of definition for the respective constructs. The items were measured with 5-point Likert scale with response options ranging from strongly agree (5) to strongly disagree (1). Data were collected from 110 respondents using convenience sampling method. The respondents were surveyed just after buying the products from the Apex showrooms located in the capital city (Dhaka) of Bangladesh. Collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with the support of the software Smart PLS 2.0 M3. Structural equation modeling is a second-generation multivariate statistical analysis that has been gaining attention in the areas of both ecological management and management science. PLS was used in this study as it is the most appropriate method of data analysis for small (110) sample size. The hypotheses of this study were tested based on empirical data by means of structural model of partial least squares (PLS) method. In PLS, the test of a conceptual model involves two steps namely measurement model (outer model) and a structural model (inner model). The data analysis and findings of measurement and structural models are presented further down.

4. DATA ANALYSIS & FINDINGS

4.1 Reliability and Validity Test

The present study evaluated the measurement model by assessing the convergent and discriminant validity following the criteria suggested by Chin (1998). Cronbach alpha values were used to test the reliability of data. Table 4.1 shows that all the Cronbach alpha values are above 0.7 which represents a good internal consistency of data (Nunally, 1978).

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Item loadings</th>
<th>Cronbach alpha</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality</td>
<td>PQ1</td>
<td>0.632</td>
<td>0.788</td>
<td>0.881</td>
<td>0.638</td>
</tr>
<tr>
<td></td>
<td>PQ2</td>
<td>0.701</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ3</td>
<td>0.659</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ4</td>
<td>0.812</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

DOI: 10.9790/487X-1903044450 www.iosrjournals.org 46 | Page
The item loadings of each item on its respective measure were computed for evaluating convergent validity. The acceptable value for each item is 0.6 (Barki and Hartwick, 1994). All the loadings are above the 0.6 which is enough for the indicator level convergent validity (Hair et al., 2010). In addition to that the composite reliability for all the constructs is more than 0.70 which is above the acceptable level. Then the average variance extracted (AVE) for each construct is above 0.50 which also meets the criteria for construct level convergent validity. So the measurement model exhibits high convergent validity since all factor loadings are above 0.6, all AVEs are above 0.5, and all composite reliabilities (CRs) are above 0.7.

Table 4.2 shows the discriminant validity of the constructs taken in the present study. Discriminant validity is tested through average variance extracted (AVE) suggested by Fornell and Larker (1981). Actually, a construct should share more variances with its indicators than the other constructs. This happens when the square root of AVE is higher than the estimated correlations among each pair of constructs.

The measurement model also demonstrates good discriminant validity since the square root of the AVE for each construct was higher than its correlation with other constructs.

### Table 4.2: Discriminant validity

<table>
<thead>
<tr>
<th></th>
<th>PQuality</th>
<th>Price</th>
<th>Location</th>
<th>Promotion</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>PQuality</td>
<td>0.798</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>0.581</td>
<td>0.731</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>0.158</td>
<td>0.067</td>
<td>0.725</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>0.518</td>
<td>0.376</td>
<td>0.436</td>
<td>0.729</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.438</td>
<td>0.209</td>
<td>0.324</td>
<td>0.434</td>
<td>0.735</td>
</tr>
</tbody>
</table>

The measurement model also demonstrates good discriminant validity since the square root of the AVE for each construct was higher than its correlation with other constructs.

### 4.2 Hypotheses testing based on PLS structural model results

PLS structural model gives the results for hypotheses testing. The statistical significance of the structure coefficients was explored in a bootstrapping analysis similar to the procedure used above in evaluating the indicator weights of the measurement model. A precondition for a meaningful explanation of path coefficients is that the overall structural model's quality touches a standard level. The strength of relationship is expressed by $R^2$. The value of $R^2$ represents the percentage of variation in the endogenous variables caused by the exogenous variables taken in the study. According to Chin (1998), $R^2$ values of at least 0.19, 0.33, and 0.67 are treated as weak, moderate, and strong, respectively. In the present study the value of $R^2$ is 0.612. It indicates that the value is very near to strong explanatory power. So, the four factors are overall adequately responsible for the variance share of customer satisfaction of Apex footwear.
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Table 4.3 Hypotheses testing output

<table>
<thead>
<tr>
<th></th>
<th>Path coefficients</th>
<th>T Statistics</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product quality &gt; satisfaction</td>
<td>0.512</td>
<td>4.11</td>
<td>0.000</td>
</tr>
<tr>
<td>Price &gt; satisfaction</td>
<td>0.322</td>
<td>2.591</td>
<td>0.031</td>
</tr>
<tr>
<td>Location &gt; satisfaction</td>
<td>0.020</td>
<td>0.802</td>
<td>0.723</td>
</tr>
<tr>
<td>Promotion &gt; satisfaction</td>
<td>0.212</td>
<td>2.899</td>
<td>0.021</td>
</tr>
</tbody>
</table>

Table 4.3 shows that product quality is positively and significantly correlated with the customer satisfaction of Apex footwear. The corresponding path coefficient is 0.512 with a t value of 4.11 (< 0.000) which is significant at 1% level. Therefore, H1 receives strong support in the sample. Again the positive path coefficient of 0.322, for the path with price to customer satisfaction is significant at 5% level (p < 0.032). So it is accepted that price is an important factor for the satisfaction of footwear customers. On the other hand, H3 is not supported as the path coefficient (0.020) is insignificant (p > 0.05). So location of the stores is not an important factor for the customer satisfaction of Apex footwear. Hypothesis 4 is also supported because the path coefficient of promotion is 0.220 with a positive sign; and the value is significant at 5% level (p < 0.021). Therefore, three hypotheses (H1, H2 & H4) were supported and one was not supported (H3).

5. DISCUSSION, IMPLICATIONS and CONCLUSION

The present study tried to identify the important factors influencing the customer satisfaction of Apex footwear products. Customer satisfaction is very important for any organization because the satisfied customers do business for longer period; they talk favorably about the products and buy more when the organization introduces new products. The present study has shown some meaningful findings regarding the customer satisfaction of Apex footwear products. Firstly, it is found in the study that product quality is a pivotal factor influencing satisfaction of customers of Apex footwear. It is because of the fact that while customers are making any purchase decisions, they first think about the basic functionality of the products. It is in line with the findings of Rana, Osman and Islam (2015) who found in their empirical study that products quality is the most significant factor influencing customer satisfaction. In this empirical study it is found that customers placed much importance on the designs, durability and variety of products while purchasing footwear products. The statistical findings of this study also reveal that price is also positively and significantly associated with customer satisfaction of footwear products. This finding is consistent with that of Madan and Kumari (2012) who also found in their study that price is an important issue for the customers. The present study also found that promotional campaigns of the organizations also exert significant influence on customer satisfaction. Thorough promotional campaigns, customers might get vital messages regarding the products and promotional offers given by the company. And the messages from the promotional campaigns might help the customers to make wise purchase decisions which consequently lead to their satisfaction. On the other hand, location dimension was found to positively but insignificantly correlated with customer satisfaction. Therefore the present study explored three factors as the predictors of customer satisfaction for footwear products. Out of these three factors, products quality was found to be the most significant followed by promotion and price of the products in influencing the customer satisfaction of Apex footwear products. Thus footwear marketers like Apex should focus on the quality of their products, price and promotional campaigns of the products for satisfying their customers.

This empirical research paper divulges some important insights by identifying the factors affecting the customer satisfaction of footwear products with reference to Apex footwear. A good number of research works have been conducted on the customer satisfaction of different category of products; but the empirical research literatures are very scarce on the customer satisfaction of footwear products. For this reason this research work is noteworthy especially for the footwear products marketers. The results showed that footwear products marketers can satisfy the customers in a better way by providing good quality products, offering competitive prices for the products also by informing, persuading and reminding the customers regarding the new and lucrative offerings. The findings of this study can be important guidelines for the footwear products manufacturers. On the basis of this empirical finding, they can formulate strategies that might help them to achieve organizational goals by satisfying customers. Undoubtedly, the findings of this research have some implications for the footwear products manufacturers; however, it is not without any criticisms. In this study data were collected from the capital city of Bangladesh and the outlets situated outside Dhaka city, also brands, have been excluded. So the findings might not represent the picture of whole industry. On the other hand, this study only considered products quality, price, location and promotion as the determinants of customer satisfaction; but there are some other factors that might help companies to satisfy their customers in a better way. Future researchers can include new factors to examine their influence on customer satisfaction taking large samples consisting of customers from other brands both from capital city and outside capital city.
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