Assessment of Retail Business and Customer Satisfaction in Selected Tailoring Service in Mubi

Dr Sanusi Bello
Adamawa State University, Mubi
Department of Business Administration

Abstract: This paper is entitled “Assessment of Retail Business and Customer Satisfaction in selected Tailoring Service in Mubi”. The objective of the study includes: evaluate the effect of Retail store location on customer attraction in selected tailoring service in Mubi, identify the effects of service quality on customer retention in selected tailoring service in Mubi. The research design used for this study was survey research method, the researcher limited its population to only 30 respondents. Questionnaires were produce and administered to the respondent. The method of data collection comprises primary and secondary method. The primary method used is questionnaires – random sampling is used in distributing the questionnaires, the researcher has however, choose the simple percentage method in analyzing the data obtained. The study also reveals that: retail shop located in an area with a high density, have better performance through customer attraction and which the distance from the shop is not far from the customers house tend to attract the customers, it is also noted that one of the key to successful business today is retaining existing customers through provision of good quality service and also better quality product tends customer commitment which in turn lead to increase customers’ loyalty. And also recommends that business owners should put into consideration their shop location, because location matters a lot through which customer perceive it as easy access and transportation free, therefore location should be a first priority of shop owners so as to attract customers and it is also recommends that business owners should acknowledge the importance of retaining customers by providing them with the necessary things they perceive of value or quality which will increase their loyalty and tend to continue patronizing that particular business at any given time when the needs arises. The researcher was able to conclude that customer loyalties are gain through so many factors, such as quality service

1.1 Background to the Study
In the present day’s retail business, ensuring customer satisfaction in delivering the right product and service to the end-users is the major concern for the future growth of the organization. In the present study an attempt is made to find out the customer satisfaction during purchase in retail outlets based on customer survey. Customer satisfaction is voluminous and spans several areas such as marketing, management and accounting. For example, numerous papers use the ACSI (American Customer Satisfaction Index) to study customer satisfaction at the company, industry and microeconomic levels. This Research focuses only on customer satisfaction studies that are related to retail business in Tailoring service in Mubi.

Customer satisfaction is a measure of how an organization’s total product performs in relation to set of customer’s expectations. Customer satisfaction depends on the product’s perceived performance relative to a buyer’s expectations. If the product’s performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied. If performance exceeds expectations, the customer is highly satisfied and delighted.

Most of the companies make a huge mistake, when they are not paying enough attention to their customer satisfaction. Keeping customers satisfied is the best competitive advantage against competitors. Customers are loyal, prepared to pay more and are excellent external marketers. Here is a list of the reasons for developing long-term relationship with customers:

1.2 Statement of the Problem
In Nigeria today, retail business is contributing to the development of the economy. However in the tailoring services segments, many of the tailors are only concentrating on mere sewing of dressing with little money. Customer satisfaction in retail business, under particular tailoring services is vital for business expansion. Today there are many designs of different materials which tailors need to engage and develop their business. The initiatives are not known or are very difficult to adopt. Depending on sewing dress only cannot improve Tailors income, no business expansion, no business growth. This means the business is not well viable for high income. This will affect income growth and it resulted to underdevelopment. In order to address these problems this research work is carried out.
The importance of retail business in Mubi cannot be overemphasised. The town needs adequate services of tailors because of its population and the income of its Camerounians patronised tailoring service in Mubi for they purchase ready made materials. Therefore, customers are to be satisfied.

1.3 Objectives of the Study
The main objective of the study is to assess Retail Business and customer satisfaction in selected Tailoring service in Mubi.

The specific objectives are to:
1. evaluate the effect of Retail store location on customer attraction in selected tailoring service in Mubi.
2. identify the effects of service quality on customer retention in selected tailoring service in Mubi.
3. identify the importance of product quality on Customer Loyalty in selected tailoring service in Mubi.

1.4 Research Questions
1. What are the effect of Retail Store location on customer Attraction in selected tailoring service in Mubi?
2. What are the effects of service quality on customer retention in selected tailoring service in Mubi?
3. What are the importance of product quality on customer Loyalty in selected tailoring service in Mubi?

1.5 Research Hypotheses

\[ H_{01} \quad \text{A retail store location does not have any significant effect on customer attraction in selected tailoring service in Mubi.} \]

\[ H_{02} \quad \text{Service quality does not have any significant effect on customer retention in selected tailoring service in Mubi.} \]

\[ H_{03} \quad \text{Product quality does not have any significant importance on customer Loyalty in selected tailoring service in Mubi.} \]

2.1 Literature Review
Retailing is one of the oldest businesses that human civilization has known. It acts as an interface between the producer and consumer, improves the flow of goods and services and raises the efficiency of distribution in an economy. For a strong, stable and consistently growing economy, a well-organized and efficient retail sector is important. Most of the developed and even emerging economies had adopted the organized retail long ago and percentage share of organized retail in total retailing has increased over the years. However, India, a land of self-sufficient villages, has continued to rely primarily on small, close to home shops. It is only off-late with pick-up in pace of urbanization and rising disposable incomes that the country started to take a few steps towards the organized retailing. A good progress has been made in the last few years, and the retail industry is off late being hailed as one of the sunrise sectors in the economy. Interestingly, for many years, retailers have been administering surveys to their customers to measure both their overall level of satisfaction and their opinion of various details of their store experience, service and merchandise provided at organized retail outlets but they are not able to retain all their customers by providing solutions to them. Satisfying customers is one of the main objectives of every business. Businesses recognize that retaining the existing customers is more profitable than having to win the new ones to replace those lost. Management and marketing theorists underscore the importance of customer satisfaction for a business’s success. Customer satisfaction is the key factor in knowing the success of any retail store or business; therefore it is very important to measure it and to find the factors that affect the customer satisfaction. Customers are most likely to appreciate the goods and services they buy, provided if they are made to feel special. This occurs when they feel that the goods and services that they buy have been specially produced for them or for people like them. It should be always keep measuring in order to get feedback for the products and services in order to develop it further with wide customization. Customer satisfaction levels can be measured using survey techniques and questionnaires. Gaining high levels of customer satisfaction is very important to a business because satisfied customers are most likely to be loyal, place repeated orders and use a wide range of services offered by a business.

2.2 What is retailing?
Retailing encompasses the business activities involved in selling goods and services to consumers for their personal, family, or household use. It includes every sale to the final consumer. Retailing is also the last stage in the distribution process.

Today the retail trade comprises a wide and varied collection of outlets for goods and services. In order that retail exchange can take place, the retailer must offer to sell products and services that are valued by customers. Retailers create value for customers by offering the right merchandise, creating a pleasant atmosphere, decreasing shopping risks, increasing shopping convenience and reducing price by controlling costs.
Retailers provide important functions that increase the value of the product and services they sell to consumers and facilitate the distribution of those products and services for the manufacturers to produce them.

2.3 Customer Service and Satisfaction in Retailing

2.3.1 Customer Service in Retailing

Every time a customer comes into contact with a store, its staff or merchandise, they experience a service encounter or ‘moment of truth’. Every moment of truth is an opportunity to attract retail or enhance the relationship with the Customer; Customer service is a highly significant element of retailing. It represents one important strategic element, which can differentiate retailers from one other. Customer service impacts the total retail experience. The main aim of customer service is to offer the customer the satisfaction he or she expects from the store as a result of patronizing it.

2.3.2 Customer Satisfaction in Retailing

Customer satisfaction occurs when the value and customer service provided through a retailing experience meet or exceed consumer expectations. If the expectations of value and customer service are not met, the consumer will be dissatisfied. Only very satisfied customers are likely to remain loyal in the long run.

Customer satisfaction in a retailing should be a long-term aim and concentrate into an existing customer rather than replace dissatisfied customers with new ones. It is extremely important to satisfy customers because a retailer’s sale comes from two groups of customers: new customers and repeat customers. In retailing, attracting new customers is likely to cost company five times as much as pleasing an existing customer.

Customer retention is more important than customer attraction, and a key to customer retention is customer satisfaction.

- A highly satisfied customer:
  - Stays longer
  - Buys more as the retailer introduces new products and upgrades existing brands
  - Talks favorably about the retailer and its merchandise
  - Pays less attention to competing brands and advertising and is less sensitive to price
  - Offers products/service ideas to the retailer
  - Costs less to serve than new customers.

Based on these criteria, it is important that the retailer measures customer satisfaction regularly.

Tony Kent has listed the factors that affect customer satisfaction:

- **Products** - the quality, value and methods of marketing
- **Premises** - the environment created for the customers
- **Procedures** – the systems required to do business
- **People** – The force that makes it happen

Retailers need to spend more time learning who their customers are. They should give their customers a club card and capture information in their databases. By analyzing these they will know their customer better. Retailers must invest in making retailing an experience rather than a chore.

2.6 Retail Store Location and Attraction

This factor is particularly important for retail business. Tailoring stores, Grocery stores, fast food stores, Car dealers, and a host of other types of retailers need to choose carefully the places where they will operate their business. Shoppers are naturally drawn to some locations but find it hard to go to others. A retail store in a place that shoppers think is out of the way will likely not last long.

2.6.1 Retail Establishment Site Planning

To Present the Significance of Store Location for a Retailer and Summarize the Process for Selecting a Store Location The selection of location is essential, due to complicated decision making, high prices, the absence of flexibility if a place is chosen, and the place’s effect on the retailer’s strategy. A proper location may cause a retailer’s success even if customers are. Other three phases, as look for (Geographic areas), feasibility (find the best places) and micro (appraisal of Particular places). Merging these two connected concepts produces a useful Place evaluation way having three basic phases:

i. Macro location assessment
ii. Micro location assessment
iii. Place selection.

In our globalized world, retail location assessment has gained more and more significance. The quick incensement of competition conditions has led the companies to be one step ahead of their rivals and act more
militantly in retail location assessment. In this context, it is examined hypothetically that where the supermarkets, which are quickly increasing in number in our country, should be placed. Hence, population features, income levels of people and competition situation of the place to be selected are foremost of concern. In retail shopping centers, not only the retail supermarkets exist in the complex that is to be built, but also the stores, fast food restaurants, and cinemas do. So, incoming customers with the purpose of shopping come with their families and can do shopping, eat in a restaurant and watch movies.

Due to customers’ limited time of shopping with respect to business time, considering transportation along with meeting the requirements of the consumers and making such arrangements is crucial for the proper selection of the location. (Mustafa KARADENİZ, 2009)

2.7 Service Quality

Another factor that contributes to satisfaction is service quality. Service quality is defined as the difference between customer expectations and perceptions of service or as the customers’ satisfaction or dissatisfaction formed by their experience of purchase and use of the service. Service quality is a casual antecedent of customer satisfaction, due to the fact that service quality is viewed at transactional level and satisfaction is viewed to be an attitude. The service quality divisions are related to overall service quality and/or customer satisfaction. Satisfaction is a consequence of service quality. There is causal relationship between service quality and satisfaction, and that the perceptions of service quality affect the feelings of satisfaction.

There are various classifications of the components of service quality in marketing science. In service environments, customer satisfaction will be built on a combination of two kinds of quality aspects; technical and functional. Technical quality or quality of the output corresponds to traditional quality of control in manufacturing. It is a matter of properly producing the core benefit of the service. Functional quality or process quality is the way the service is delivered. It is the process in which a customer is a participant and co-producer, and in which the relationship between service provider and customer plays an important role.

Technical quality is related to what customer gets (transaction satisfaction); functional quality is related to how the customer gets the result of the interaction (relationship satisfaction). Service quality can be classified as essential and subsidiary. Essential refers to the service offered and subsidiary includes factors such as accessibility, convenience of location, availability, timing and flexibility, as well as interactions with the service provider and other customers.

The classification can also be the core (contractual) of the service, and the relational (customer-employee relationship) of the service. The core or the outcome quality, which refers to what is delivered and the relational or process quality, which refers to how it is delivered are the basic elements for most services. A direct approach investigation on four service firms was carried out (dentist clinic, automobile shop, tailoring shop, restaurant, and haircut salon) demonstrated that both core and relational service quality classes have significant impact on customer satisfaction. Studies on several service firms, such as airline, restaurants, etc and reported that service quality, solely defined as relational quality, has consistent effect on satisfaction and is regarded as key factor in delivering customer satisfaction.

Five dimensions of service quality (SERVQUAL) that must be present in any service delivery. SERVQUAL helps to identify clearly the impact of quality dimensions on the development of customer perceptions and the resulting customer satisfaction. SERVQUAL include:

- **Reliability** - the ability to perform the promised services dependably and accurately.
- **Responsiveness** - the willingness to help customers and provide prompt service.
- **Assurance** - the knowledge and courtesy of employees as well as their ability to convey trust and confidence.
- **Empathy** - the provision of caring, individualized attention to customers, and
- **Tangibles** - the appearance of physical good, equipment and personnel.

The model conceptualizes service quality as a gap between customer’s expectations (E) and the perception of the service providers’ performance (P). Service quality should be measured by subtracting customer’s perception scores from customer expectation scores (Q = P – E). The greater the positive score mark means the greater the positive amount of service quality or the greater the negative score mark, the greater the negative amount of the service quality.

Other comprehensive factors perceiving quality assessment are as follows:

- **Access** – how easy it is to come into contact with the supplier. This is where position, opening hours, supplier availability, and other technical facilities belong.
- **Communication** – the ability to communicate in an understandable way that is natural to customer.
- **Credibility** – referring to being able to trust the supplier
- **Courtesy** – refers to the supplier’s behavior, e.g. politeness and kindness.
The gap that may exist between the customers’ expected and perceived service quality is a vital determinant of customer satisfaction or dissatisfaction, and not just only a measure of the quality of the service.

**Research Methodology**

3.1 **Population of Study**

The population of the study comprised some customer in Lokwa, Kolere, Garden City, Yelwa of Mubi Local Government Area, however, the researcher limited his population to only forty (40) customer, because it would be very cumbersome to interview or administer questionnaire to all customers of tailoring service therefore, forty (40) people were selected using convenience sampling technique, to which questionnaire were administered. The questionnaires were administered personally by the researcher to the respondents.

3.2 **Sample and Sampling Techniques**

Sampling procedure involves selection and study in more details of relatively small units taken from a larger (Population) group. To this extent, random sampling procedure has been employed where each group forming the populace has equal chances or probability of been chosen. A total of forty (40) respondents were randomly selected and served with well-tested questionnaires. While only thirty (30) questionnaires were correctly filled, this will be used for an analysis.

The sample size of 40 was small for the kind of study intended but time and financial constraints made it imperative to restrict the sample to that size never the less, all processes are aimed at finding the relationship between retail business and customer satisfaction in tailoring service in mubi local government area.

**ATA Presentation and Analysis**

4.1 **Data Presentation**

4.3 **Hypothesis Testing**

**Hypothesis I:**

\[ H_0 : \] A retail store location does not have any significant effect on customer attraction in selected tailoring service in Mubi.

**Crosstabs**

**Sex distribution of respondents**

* A retail store located in an area with a high density, have better performance through customer attraction*  

**Crosstabulation**

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
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<th>Strongly disagree</th>
<th>Disagree</th>
<th>Total</th>
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**Chi-Square Tests**

<table>
<thead>
<tr>
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<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
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<tr>
<td>Pearson Chi-Square</td>
<td>5.925</td>
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<td>.115</td>
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<tr>
<td>Likelihood Ratio</td>
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<td>.049</td>
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<tr>
<td>Linear-by-Linear Association</td>
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<td>.071</td>
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<tr>
<td>N of Valid Cases</td>
<td>30</td>
<td></td>
<td></td>
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</table>

a. 6 cells (75.0%) have expected count less than 5. The minimum expected count is .47.

**Decision rule:** \(X^2(3) = 5.925, P < 0.115\)

I sample 30 respondents, and evaluated whether a retail store location does not have any significant effect on customer attraction in selected tailoring service in Mubi. The data was analyzed using chi-square. The null hypothesis was rejected, since P-value ≤ 0.115 is less than 5% level of significance and \(X^2 = 5.925\) and 3 degree of freedom.
Hypothesis II:

H₀ : Service quality does not have any significant effect on customer retention in selected tailoring service in Mubi.

H₁ : Service quality has a significant effect on customer retention in selected tailoring service in Mubi.

Crosstabs

Sex distribution of respondents * The key to successful business today is retaining existing customers through provision of good quality service Crosstabulation

<table>
<thead>
<tr>
<th>Sex distribution of respondents</th>
<th>The key to successful business today is retaining existing customers through provision of good quality service</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Total</th>
</tr>
</thead>
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<tr>
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Chi-Square Tests

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<th>Value</th>
<th>Df</th>
<th>Asymp. Sig. (2-sided)</th>
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</table>

Decision rule: X²(3) = 8.684, P ≤ 0.034

I sample 30 respondents, and evaluated whether service quality does not have any significant effect on customer retention in selected tailoring service in Mubi. The data was analyzed using chi-square. The null hypothesis was rejected, since P-value ≤ 0.034 is less than 5% level of significance and X² = 8.684 and 3 degree of freedom.

Hypothesis III:

H₀ : Product quality does not have any significant importance on customer Loyalty in selected tailoring service in Mubi.

Crosstabs

Sex distribution of respondents * A better quality of product tends to increase a customer loyalty Crosstabulation

<table>
<thead>
<tr>
<th>Sex distribution of respondents</th>
<th>A better quality of product tends to increase a customer loyalty</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Total</th>
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<td>3</td>
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</tr>
</tbody>
</table>

Chi-Square Tests
Decision rule: \( X^2(3) = 5.281, P \leq 0.152 \)

I sample 30 respondents, and evaluated whether Product quality does not have any significant importance on customer Loyalty in selected tailoring service in Mubi. The data was analyzed using chi-square. The null hypothesis was rejected, since P-value < 0.152 is less than 5% level of significance and \( X^2 = 5.281 \) and 3 degree of freedom.

4.4 Summary of Research Findings

Based on the data collected and analysis of questionnaires, the researcher draws the following findings:

i. From the findings it reveals that retail shop located in an area with a high density, have better performance through customer attraction and which the distance from the shop is not far from the customers house tend to attract the customers.

ii. It is also noted that one of the key to successful business today is retaining existing customers through provision of good quality service and also better quality product tends customer commitment which in turn lead to increase customers’ loyalty.

iii. Product differentiation is not consider as the factor that influence customers loyalty in a retail outlet but some time price business offering does effect customer's satisfaction and hence it influence customers retention. It also noted that tailoring has a positive effect on Nigeria economy.

5.1 Summary of Findings

Based on the research findings, the researcher believed that when business is located in area with a high density of population it has better chance of customers’ attraction, because the distance from which the shop location is not far from the customers house tend to attract the customers.

Product quality means different things by different people, what one perceive as quality may not be perceived as quality to others. Therefore, businesses today retained their existing customers through provision of good quality service and also better quality product, in order to increase customer commitment and customers’ loyalty.

Product differentiation does not play a significant role in customers loyalty, but some time price business offering does effect customer's satisfaction and hence it influence customers retention, tailoring shop play a vital role towards development of Nigeria economy.

5.2 Conclusion

A retail store location has a significant effect on customer attraction in selected tailoring service, likewise service quality has a significant effect on customer retention in selected tailoring service and also product quality has a significant importance on customer Loyalty in selected tailoring service in Mubi. Customer loyalties are gain through so many factors, such as quality service.

Some many customers does not consider product differentiation as a factor that influence customers loyalty in a retail outlet but suggested that some time price business offering does lead to customer's satisfaction and hence it influence customers attraction. And believe that location of shop matter a lot the customers, when shop is located close to customer house its increases it level of patronage as it save cost of transportation and easy access within short time.

Successful business today achieve their goals as a result of retaining existing customers through provision of good quality service and also better quality product and customer commitment which in turn lead to increase customers’ loyalty.
5.3 Recommendations

From the above findings and conclusion the researcher was able to recommends that:

i. It is recommends that business owners should put into consideration their shop location, because location matters a lot through which customer perceive it as easy access and transportation free, therefore location should be a first priority of shop owners so as to attract customers.

ii. It is also recommends that business owners should acknowledge the importance of retaining customers by providing them with the necessary things they perceive of value or quality which will increase their loyalty and tend to continue patronizing that particular business at any given time when the needs arises.

iii. One of the major thing that attract and retain customers, is price of products or services, business owners should consideration the price of their products or services they charge customers in order to attract and increase their customers loyalty which lead to retention.

Bibliography


