

## The Effects of Service Quality on Long-Term Orientation with Customers in Fashion Retail Stores

Seong-Rae Ju<sup>†</sup> and Myung-Sun Chung\*

Dept. of Clothing and Textiles, Chonnam National University  
Human Ecology Research Institute, Chonnam National University\*

Since the Korean economic crisis of 1997, the domestic fashion distribution market has been rapidly changed through reconstructing and mergers and acquisitions to survival in the competition of the market which has become keener. Since discount stores, home shopping, or online shopping malls are fast-growing, the distribution industry including department store falls into crisis and focuses their efforts on managing various customers as a part of high quality and differentiated strategy.

It is usually because the fashion industry of Korea including apparel enters its maturity and a total demand of the market is no longer increased, while many competitors have entered the market and the total production often exceeds the total sale. Furthermore, since the manufacturing technology of many fashion products has come into wide use and consumers can have to access a number of information, consumers can judge the value of their payment and choose a distributor providing appropriate value in both product and service. It means that their consumption behaviors become more intelligent. At this point, every fashion company exerts itself for differentiating it from other competitors using a variety of marketing strategies such as store renovation, attractive costly products, and customized service, in order to invite and maintain even one person as its customer.

In particular, to enhance customer satisfaction, to get solved customer dissatisfaction, and finally to invite customers in the long run, the fashion industry feels keenly the necessity of improvement service and products performance, and practices it strategically. However, it is true that only many numbers of promoting strategies can satisfy customers. Some companies carried out service policy at their option without pretext of tapping customers' opinions about service, consequently bringing out customer dissatisfaction (Yu et al., 2004).

In this way, not to speak of fashion manufacturers or distributors, the importance of service becomes increased and concern for service field may increase continuously. The increase of

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<sup>†</sup> Corresponding author : myroom-jsr@hanmail.net

concern for service, recently, service-related research has proceeded actively. To put it concretely, the focus of such research fields has been on the conceptual classification of service and the development of measure instrument(Cronin & Taylor, 1992; Kim & Kim, 1999; Kim & Kim, 2001; Parasuraman et al.,1988), or the relationship between service quality and shopping orientation, and customer satisfaction and store patronage(Hong, 2000; Howard & Sheth, 1969; Hwang et al, 2000; Kim & Lee, 2004; Ju & Jeong, 2005; Oliver, 1981). However, although customer interaction management is important to lead to positive results of company in the fashion industry, there has been few research on service quality and relationship marketing. Mazursky & Labarbera(1978) suggested that customer satisfaction did not necessarily bring about long-term positive attitude or results. They added that even customers who were very satisfied with service could always change their accustomed stores by external temptation, so it was more important to grasp customers' desire concretely and correctly from a long-term point of view. If it is applied to the long-term relationship between the fashion industry and customers, it can be predicted that it is very important in strategy to find out the service dimension to effectively enhance trust, commitment, and word-of-mouth/repurchase intention as well as customer satisfaction.

On the other hand, Boom & Bitner(1981) and Cowell(1984) noted that most of studies on the conception and dimension of service quality intactly applied marketing 4P's mix, developed for the existing manufacturers, to the service industry to classify service quality dimension. Thus, they argued that because it was very illogical to intactly apply the marketing mix, developed for the manufacturing industry, to all categories of industry or business, appropriate marketing mix for each industry or business had to be developed. Furthermore, they suggested that the marketing mix needed to be expanded into 7P's(product, price, place, promotion, participant/people, physical evidence, process, and politics) and operate corresponding strategy of service quality.

Accordingly, since the fashion industry has frequent customer encounters and high weight of service, this study intended to demonstrate the perceived quality dimension of service in expanded service mix suggested by Boom & Bitner(1981) and Cowell(1984) and understand that which service dimension had direct effects on trust, commitment, and customer word-of-mouth/repurchase intention behavior, which are necessary for the long-term relationship between fashion stores and customers, as well as customer satisfaction.

This study used questionnaire survey for empirical study. The questionnaire consisted of perceived quality of service, customer satisfaction, trust, commitment, word-of-mouth/repurchase intention, and demographic characteristics.

The subjects of this study were department stores, large-scaled fashion shopping malls, and discount stores, located in Gwangju City, and women customers of middle age of the twenties, who usually had their accustomed stores. A total of 400 people received questionnaires and 370 responses of them was returned. Of them, 333 was used for final analysis except incomplete responses.

To analyze collected materials, SPSS for Windows 12.0 statistics package and LISREL 8.30 were used. The following methods of statistical analysis were used. The conceptual validity of the perceived quality dimension of service was verified using the exploratory and confirmatory factor analysis. To test reliability of all measurement instruments used in this study, Cronbach's Alpha was used. The regression analysis was used to understand the effects of each dimension of perceived service quality on customer satisfaction, trust, commitment, and word-of-mouth/repurchase intention.

The results of this study are as follows.

1. Based on expanded marketing 7P's mix, perceived quality dimensions of service of fashion stores were classified into product service, price service, store place service, promotion service, people/process service, physical evidence service, and store politic service.
2. The long-term orientation factors of fashion stores through literature review included customer satisfaction, trust, commitment, word-of-mouth/repurchase intention.
3. In the effects of each dimension of perceived service quality on long-term customer relationship, the customer satisfaction was influenced by four factors(product service, people/process service, physical evidence service, store politic service). The store politic service had the greatest effect( $\beta=.21$ ,  $t=3.46$ ,  $p<.001$ ).
4. The trust was influenced by three factors of perceived service quality(people/process service, physical evidence service, store politic service). Similarly, the store politic service had the greatest effect( $\beta= .24$ ,  $t=3.92$ ,  $p<.001$ ).
5. The commitment was influenced by only two factors of perceived service quality(people/process service, physical evidence service). The physical evidence service had the greatest effect( $\beta=.31$ ,  $t=5.41$ ,  $p<.001$ ).
6. Finally, word-of-mouth/repurchase intention was influenced by three factors of perceived service quality(product service, people/process service, physical evidence service). The people/process service had the greatest effect( $\beta=.23$ ,  $t=3.63$ ,  $p<.001$ ).

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