



“A STUDY ON CUSTOMER RETENTION STRATEGY TOWARDS ONLINE SHOPPING WITH REFERENCE TO APPAREL PRODUCTS”

¹Mr.M. Riaz Ahmed, ²Ms.Afrah

¹Assistant Professor, MEASI Institute of Management, Chennai, India

²Final year MBA, MEASI Institute of Management, Chennai, India

Abstract:

The Apparel industry in India is one of the fastest growing sectors in the country. This is credited to the entry of many organized players in the market, drastic growth in the demand for apparels in terms of volume sales, significant shifts in consumer preferences and attitudes towards apparel categories. Due to the current market trend and situation most of the sales have been shifted to the new era (i.e.) online mode of selling and distribution of goods and services. This study focuses on how to retain the customers, the strategies used to retain them towards online shopping with reference to apparel products in Chennai. A sampling method is a procedure for selecting sample members from a population. Sampling is widely used by researchers in market research so that they do not need to research the entire population to collect actionable insights. It is also a time-convenient and a cost-effective method and hence forms the basis of any research design. The sampling technique used was non- probability sampling method is adopted in this study. The methods used were direct survey of beneficiaries' perception towards online shopping with reference to apparel products in Chennai. The Objectives were to determine the level of awareness about the online shopping among the customers, to analyze the factors affecting online shopping among the customers, to study the expectations of the customers for purchasing apparel through online shopping, to measure the service operation of the online shoppers for apparel products in Chennai, to examine the relationship between customer retention practice and strategies for apparel products, to determine the preference level towards various online stores for apparel products. There is no significant difference the mean rank of male and female respondents with regards to expectation towards online shopping for apparel products. There is no significant difference among mean rank of occupation of respondents with regards to the service operation of the online shoppers for apparel products.

Keywords: Apparel Industry, Internet shopping, Consumer retention, shopping motives,
Brand loyalty.

I. INTRODUCTION

Online shopping is a structure of e-commerce mode which permits the consumers to purchase the products and services online. Online shopping is a fast- growing phenomenon. The growth of online marketing in India, the consumers, has the ample opportunity to purchase the products and services online. The online shopping environment creates an excellent relationship between online marketers and consumers. Due to the exponential growth of business opportunities, some services are being offered through the web. Online purchase has emerged as one of the most well-known services available on the internet. It has an enormous volume of advantages for the consumers as well as business entities. Through online shopping, business houses have been capable of reaching out to more consumers at fewer cost. They have been competent in reaching out to the living of consumers in isolated areas. These are acting as stepping-stones to the concept of the global village. Moreover, inventory management overheads also decrease significantly through online shopping.

Customer retention is not only a cost effective and profitable strategy, but in today's business world it is necessary. This is especially true when you remember that 80% of sales come from 20% of customers and clients. Customer Retention is the activity that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. A company's ability to attract and retain new customers, is not only related to its product or services, but strongly related to the way it services its existing customers and the reputation it creates within and across the marketplace. Customer retention is more than giving the customer what they expect; it is about exceeding their expectations so that they become loyal advocates for the brand.

II. REVIEW OF LITERATURE

Antwi S, & Amponsah, R. K. (2021)

The online fashion market is the largest market segment in Ghana. This study investigated what drives Ghanaian consumers to purchase fashion products online from perceived risk and perceived value for money perspectives. Moving away from the purely monetary perspective, this study operationalizes value for money to include ease of use (qualitative perspective). Findings from this study highlight the fact that the average Ghanaian e-buyer is more influenced to shop for fashion products online by their perceived value for money than by their perceived risk and this insight is relevant in boosting e-commerce transactions significantly in the economy.

Yung-Shen Yen. (2015)

This paper aimed to explore how perceived risk affects customer loyalty in e-commerce and how switching costs mediate in the relationship between perceived risk and customer loyalty. The findings of this study revealed that lowering perceived risks can increase switching costs, which leads to customer loyalty with the service provider in e-commerce. The findings provided a new feasible approach to customer retention: a business can reduce customers' perceived risk to increase switching costs against the competition for customer retention in e-commerce.

Vineet Kaushik and Sanjay Dhir. (2019)

The purpose of this paper was to study, explore and rank the non-conforming factors in apparels purchased from e-shops. Based upon the results of the exploratory study, non-conforming factors such as "visual variation", "functional inconvenience", "cloth attribute variation", "haptic variation", "aesthetic variation" and "fit variation" were identified. The priority ranking of factors and sub-factors were done. The paper was useful to online apparel retailers, vendors and manufacturers to understand the factors that may be important for improving their business.

Mohamed Khalifa & Vanessa Liu (2007)

In this study, the information systems continuance model was developed in the context of online shopping, using a contingency theory that accounts for the roles of online shopping habit and online shopping experience. Specifically, we argue and empirically demonstrate that although conceptually distinct, online shopping habit and online shopping experience have similar effects on repurchase intention. They both have positive mediated effects through satisfaction and moderate the relationship between satisfaction and online repurchase intention. The results of a survey study involving 122 online customers provide strong support for our research model. Theoretical and practical implications include establishing a contingency theory to more fully explain online customer retention as well as guidelines for development of customer relationship management initiatives.

III. OBJECTIVES OF THE STUDY

- A study on customer retention strategy towards online shopping with reference to apparel products in Chennai.
- To determine the level of awareness about the online shopping among the customers.
- To analyse the factors affecting online shopping among the customers
- To study the expectations of the customers for purchasing apparel through online shopping
- To measure the service operation of the online shoppers for apparel products in Chennai.
- To examine the relationship between customer retention practice and strategies for apparel products.
- To determine the preference level towards various online stores for apparel products.

IV. NEED FOR THE STUDY

- To understand the need and ways to retain customers.
- To understand consumer perception, experience and expectations towards online shopping.
- To view an unprecedented utilization boom.
- To study the changing behaviour of consumers.
- To know about the level of satisfaction of quality of apparels and the problems faced by the e-consumers at the time purchase of apparels through online.
- To find out the consumer behaviour towards the online purchase of apparels in Chennai City.
- To understand the customer expectations.
- To improve the overall customer satisfaction.

V. SCOPE OF THE STUDY

The present study aims to study the customer retention strategy towards the online purchase of apparels products in Chennai City. The study further concentrates on determining the level of awareness about online shopping among customers, identifying the factors affecting online shoppers of apparels, expectations of the consumers, level of satisfaction (measurement) through the services provided, relationship and preference level between customer retention practice and strategies for apparel products. The study proceeds to identify the problems faced by the consumers at the time of purchase of apparel online. The findings of the research would help online shoppers and online markets.

RESEARCH METHODOLOGY

RESEARCH DESIGN

A research design is the plan, structure and strategy of investigation conceived so as to obtain answers to research questions and to control variance. It denotes the sources and type of information relevant to the research problem. The research method used for the purpose of this project is descriptive research. The descriptive research is concerned with describing the characteristics of a particular individual or group.

SAMPLING METHODOLOGY

SAMPLING DESIGN

A sampling method is a procedure for selecting sample members from a population. Sampling is defined as the process of selecting certain members or a subset of the population to make statistical inferences from them and to estimate characteristics of the whole population. Sampling is widely used by researchers in market research so that they do not need to research the entire population to collect actionable insights. It is also a time-convenient and a cost-effective method and hence forms the basis of any research design. Convenience sampling is a non-probability sampling in which samples are drawn from a large group. It is applied to measure their perception of their image in the market.

SAMPLING METHOD

The sampling technique used was non- probability sampling method is adopted in this study. It refers to the technique where Each member of the population has a known chance of being selected. The sample size is calculated as per the formula. The sample size for the study is 125 respondents.

SOURCE OF DATA

Primary data

Primary data are generated by a study specifically designed to accommodate the needs of the problem at hand. The methods used were direct survey of beneficiaries' perception towards online shopping with reference to apparel products in Chennai.

Secondary data

Secondary data are those, which are not collected specifically for solving the problem currently being investigated. Here secondary data were collected from the records available in websites, books, and journals and through the internet.

DATA ANALYSIS AND INTERPRETATION

INDEPENDENT T TEST

NULL HYPOTHESIS(H₀): There is no significant difference between married and unmarried respondents with regards to level of awareness towards apparel products.

ALTERNATE HYPOTHESIS(H₁): There is significant difference between married and unmarried respondents with regards to level of awareness towards apparel products.

Independent Samples Test

		Levene's Test for Equality of Variances
		Sig.
Risk and Return Policy	Equal variances assumed	.281
	Equal variances not assumed	
Terms & condition	Equal variances assumed	.552
	Equal variances not assumed	
Federal Trade Commission	Equal variances assumed	.119
	Equal variances not assumed	
Digital support services	Equal variances assumed	.144
	Equal variances not assumed	
Malicious QR codes, Pops and digital ads	Equal variances assumed	.174
	Equal variances not assumed	
Social media scams	Equal variances assumed	.215
	Equal variances not assumed	

INFERENCE

Since the P value is greater than 0.05, accept Null Hypothesis (Ho)

Hence there is no significant difference between married and unmarried respondents with regards to level of awareness towards apparel products.

MANN-WHITNEY TEST

NULL HYPOTHESIS(Ho): There is no significant difference the mean rank of male and female respondents with regards to expectation towards online shopping for apparel products.

ALTERNATE HYPOTHESIS(H1): There is significant difference the mean rank of male and female respondents with regards to expectation towards online shopping for apparel products.

Ranks				
	G	N	Mean Rank	Sum of Ranks
An adequate amount of information about the many options available	Male	54	58.77	3173.50
	Female	71	66.22	4701.50
	Total	125		
On-time delivery is guaranteed.	Male	54	60.81	3283.50
	Female	71	64.67	4591.50
	Total	125		
Maintain the secrecy of information.	Male	54	61.68	3330.50
	Female	71	64.01	4544.50
	Total	125		
Live customer service is available.	Male	54	58.28	3147.00
	Female	71	66.59	4728.00
	Total	125		
Assure the confidentiality of all transactions.	Male	54	56.60	3056.50
	Female	71	67.87	4818.50
	Total	125		

Test Statistics ^a					
	EXP1	EXP2	EXP3	EXP4	EXP5
Mann-Whitney U	1688.500	1798.500	1845.500	1662.000	1571.500
Wilcoxon W	3173.500	3283.500	3330.500	3147.000	3056.500
Z	-1.313	-.671	-.386	-1.373	-1.862
Asymp. Sig. (2-tailed)	.189	.502	.700	.170	.063

INFERENCE:

Since the P value is greater than 0.05, Accept Null Hypothesis (Ho)

There is no significant difference the mean rank of male and female respondents with regards to expectation towards online shopping for apparel products.

FINDINGS OF THE STUDY

There is no significant difference between married and unmarried respondents with regards to level of awareness towards apparel products. There is no significant difference between age group of respondents with regards to factors influencing online shopping for apparel products. There is no significant difference the mean rank of male and female respondents with regards to expectation towards online shopping for apparel products. There is no significant difference among mean rank of occupation of respondents with regards to the service operation of the online shoppers for apparel products. There is a positive correlation between the customer relationship strategies and practices for apparel products. There is significant difference between mean rank towards the retention strategies adapted by online shoppers for apparel products. There is significant difference between the preference level towards online stores for apparel products.

SUGGESTIONS:

- ❖ Management should address problems relating to poor customer service.
- ❖ Introduce customer satisfaction rating to measure the performance of customers towards the use of the organization's product and services.
- ❖ Develop a customer focus panels to identify customer needs and discuss views on retaining customers.
- ❖ Management should monitor progress through face-face communication or using online mode such as feedback system with customers to know their problems and opinions.
- ❖ It also about exceeding their expectation so that customers will become loyal advocates to the organization's brand, because retention has a direct impact on the profitability of the organization.
- ❖ The researcher hope if these recommendations are put into practice the apparel industry can operate without any difficulty in the near future in online mode.

CONCLUSION

The study gives an insight about the opportunity as well as the challenges of retaining customers. It is noticed that companies cannot hold on to existing customers when the old strategies are being used, therefore to be able to retain customers new retention strategies should be used. An organizations' total output greatly depends on existing customers. An organization should focus on the customer service through online and offline mode as that would help in retaining the customers. Customer needs and preferences has to be taken into account so be able to give appropriate services to the customers which would help to have a hold on the customers. The marital status does not influence the level of awareness of apparel products in online shopping.

REFERENCE

1. Antwi, S., & Amponsah, R. K. 2021. Repurchase Intention among Ghanaian Online Consumers: Perceived Shopping Value Approach. *European Journal of Business and Management*, 13(8), 1-10.
2. Payaro, A., & Papa, A. R. 2021. Online Grocery Brick and Mortar Retailers. State of the Art in Italy, but is it a Profitable Strategy. *Management Studies*, 9(1), 14-23.
3. Ilias O. Pappas, Adamantia G. Pateli, Michail N. Giannakos and Vassilios Chrissikopoulos. 2014. Moderating effects of online shopping experience on customer satisfaction and repurchase intentions. *International Journal of Retail & Distribution Management*, vol. 42 no. 3
4. Norzieirani Ahmad, Azizah Omar and T. Ramayah. 2010. Consumer lifestyles and online shopping continuance intention. *Business Strategy Series*, vol. 11 no. 4
5. Chia-Ying Li. 2015. Switching barriers and customer retention: Why customers dissatisfied with online service recovery remain loyal *Journal of Service Theory and Practice*, vol. 25 no. 4
6. Yung-Shen Yen. 2015. Managing perceived risk for customer retention in e-commerce: The role of switching costs. *Information & Computer Security*, vol. 23 no. 2
7. Sejin Ha and Leslie Stoel. 2012. Online apparel retailing: roles of e-shopping quality and experiential e-shopping motives. *Journal of Service Management*, vol. 23 no. 2
8. Vineet Kaushik and Sanjay Dhir. 2019. Non-conformance in apparels: exploring online fashion retail in India. *Journal of Fashion Marketing and Management: An International Journal*, vol. 23 no. 2
9. Mohamed Khalifa & Vanessa Liu. 2007. Online consumer retention: contingent effects of online shopping habit and online shopping experience. *European Journal of Information Systems* volume 16, pages 780–792
10. Annika Hallberg, Maja Alfvengren & Afrodite Dastory. 2017. Customer retention in fashion e-tailing: facilitators and barriers. *Eurasian Journal of Social Sciences* 5(3):9-18
11. Veera Valtola .2019. A Study of Customer Retention. Degree Thesis International Business. 6(4) Pages- 41