

A Study on Influence of Supply Chain Activities in Footwear Retail Outlets in Enhancing Customer Satisfaction

DR. N. THYAGARAJU

Associate Professor Department of Commerce, Government College for Women (Autonomous), GUNTUR Dist, Andhra Pradesh.

Abstract- The footwear industry is a highly competitive market, with customers having high expectations when it comes to the quality and availability of products. In recent years, retailers have been increasingly focused on improving their supply chain activities to meet the demands of customers. Supply chain management plays a critical role in the success of any retail outlet, and it is essential for retailers to optimize their supply chain activities to enhance customer satisfaction. Footwear retail outlets must focus on improving their supply chain activities to ensure that they can meet customer demands for high-quality products, quick delivery, and competitive prices. The key supply chain activities are critical for customer satisfaction in footwear retail outlets, including procurement, inventory management, warehousing, transportation, and distribution. The project aims to identify the key supply chain activities that contribute to customer satisfaction in the footwear retail industry. By understanding the challenges that retailers face in optimizing their supply chain activities, the project intends to propose strategies to overcome these challenges. Ultimately, the project aims to provide practical recommendations to retailers on how to improve their supply chain activities and enhance customer satisfaction in the footwear retail industry.

Keywords: *Supply Chain Management; Customer Satisfaction; Challenges Of Foot Industry*

I. INTRODUCTION

The footwear industry is a dynamic and highly competitive sector that encompasses the manufacturing, distribution, and retailing of footwear products. It plays a significant role in the global economy, catering to diverse consumer preferences and fashion trends. In the early 2000s, the footwear industry experienced several noteworthy developments. The industry witnessed increased globalization, with footwear production being

outsourced to countries with lower labour costs, such as China, Vietnam, and India. This shift resulted in the restructuring of supply chains and the consolidation of manufacturing facilities. Consumer demand for footwear continued to rise, driven by factors such as population growth, urbanization, and evolving fashion trends. Additionally, the rise of e-commerce presented new opportunities for footwear retailers, enabling them to reach a broader customer base and offer a seamless shopping experience.

The industry faced challenges related to sustainability and ethical sourcing. Concerns regarding environmental impact, worker safety, and fair labour practices prompted many footwear companies to adopt sustainable and responsible business practices. This led to the development of eco-friendly materials, improved supply chain transparency, and ethical sourcing initiatives. Technological advancements also influenced the industry during this period. Footwear manufacturers adopted innovative production techniques, such as 3D printing and automation, to enhance efficiency and product customization. Retailers embraced digital technologies, online sales platforms, and mobile applications to engage with customers and provide personalized shopping experiences.

Furthermore, collaborations between footwear brands and fashion designers gained prominence, leading to the launch of exclusive and high-end footwear collections. Branding and marketing efforts became crucial in capturing consumers' attention and building brand loyalty.

Customer satisfaction in the footwear industry often revolves around the value for money perceived by

customers. They expect that the price they pay for footwear is justified by the quality, design, and performance of the product. A balance between affordability and perceived value is crucial in meeting customer expectations and ensuring satisfaction. Customers seek value in their footwear purchases, which includes factors such as durability, comfort, and overall performance. They want their footwear to last, withstand daily wear and tear, and provide the desired level of comfort for extended periods. The perceived quality of materials and craftsmanship greatly influences customer satisfaction and the perceived value for money.

In addition to the physical attributes, customers also evaluate the brand reputation, customer service, and post-purchase support provided by footwear retailers. A positive shopping experience, responsive customer service, and hassle-free return or exchange policies contribute to customer satisfaction and reinforce the value for money perception. Price promotions, discounts, and loyalty programs also influence customer satisfaction by offering cost-saving opportunities and enhancing the perceived value for money. Customers appreciate competitive pricing and feel more satisfied when they believe they have obtained a good deal on their footwear purchase. Overall, customer satisfaction in the footwear industry in terms of money is closely linked to the perceived value for money, where customers expect a balance between price, quality, durability, comfort, and the overall shopping experience. Meeting these expectations contributes to positive customer satisfaction and fosters loyalty in this competitive market.

II. REVIEW OF LITREATURE

1. "Supply chain management in the footwear industry: A systematic literature review" by Mello et al. (2019) - This review provides a comprehensive analysis of supply chain management practices in the footwear industry, including challenges faced by footwear manufacturers and retailers, and best practices for supply chain optimization.
2. "Supply chain management practices and performance in the footwear industry: a review of literature" by Otieno et al. (2017) - This review analyzes the impact of supply chain management practices on the performance of footwear companies, highlighting the importance of information sharing, supplier development, and inventory management.
2. "Retail supply chain management: A review" by Huang et al. (2016) - This review provides an overview of retail supply chain management practices, including inventory management, logistics, and customer relationship management, and their impact on supply chain efficiency and customer satisfaction.
3. "Managing the retail supply chain: a comprehensive review" by Ganesan et al. (2017) - This review analyzes the key challenges faced by retailers in managing their supply chain, such as sourcing, transportation, and inventory management, and provides strategies to overcome these challenges for customer relationships, lower costs and employees, and better products (Feyen et al., 2021).
4. "The impact of supply chain management practices on customer satisfaction in the retail industry: a systematic review" by Jia et al. (2019) - This review examines the impact of supply chain management practices on customer satisfaction in the retail industry, highlighting the importance of supply chain visibility, flexibility, and responsiveness.
5. "Supply chain management in the fashion industry: a systematic literature review" by Parmar et al. (2018) - This review analyzes the supply chain management practices in the fashion industry, including the challenges faced by retailers, and the role of technology in enhancing supply chain efficiency.
6. "Supply chain management in the fashion industry: an empirical study" by Chen and Rahman (2017) - This review presents an empirical study of supply chain management practices in the fashion industry, highlighting the importance of supplier collaboration and inventory management.
7. "Supply chain management in the sportswear industry: a review of literature" by Baena-Gracia and Vazquez-Bustelo (2019) - This review provides a comprehensive analysis of supply chain management practices in the sportswear

industry, including the role of innovation and sustainability in supply chain optimization.

8. "The impact of supply chain management on customer satisfaction in the fashion industry: a review of literature" by Ahmed et al. (2019) - This review examines the impact of supply chain management practices on customer satisfaction in the fashion industry, highlighting the importance of supply chain agility, cost efficiency, and sustainability.
9. "The impact of supply chain management practices on firm performance in the fashion industry: a review of literature" by Nazari-Shirkouhi et al. (2018) - This review analyzes the impact of supply chain management practices on firm performance in the fashion industry, highlighting the importance of supplier integration, information sharing, and collaboration.

OBJECTIVE OF STUDY

- To analyse the current supply chain activities in footwear retail outlets and identify areas for improvement.
- To investigate the factors that influence customer satisfaction in footwear retail outlets and their relationship with supply chain activities.
- To assess the impact of supply chain activities on customer satisfaction in footwear retail outlets.

III. RESEARCH METHODOLOGY

The research methodology for this study would involve several steps. Firstly, a comprehensive literature review will be conducted to gather existing knowledge and theories related to supply chain activities and customer satisfaction in the footwear retail industry. Next, a suitable research design, such as a quantitative survey or a qualitative interview, will be chosen to collect data from a sample of footwear retail outlets and their customers. The data collected will be analysed using statistical techniques or thematic analysis to identify the relationship between supply chain activities and customer satisfaction. Finally, the findings will be interpreted, and conclusions drawn, highlighting the specific supply chain activities that significantly impact customer satisfaction in footwear retail outlets.

Statement of the Problem

These retail outlets vary in size and format, from small independent stores to large chain stores and online retailers. Footwear retail outlets face many challenges, such as competition from online retailers, changing consumer preferences, and supply chain disruptions. Footwear retail outlets are an essential part of the industry, where customers can purchase footwear products directly. Footwear industry faces several challenges, including rising labour costs, increasing environmental concerns, and the need to adapt to changing consumer preferences. Additionally, the COVID-19 pandemic has significantly impacted the industry, leading to supply chain disruptions, reduced consumer demand, and an overall decline in sales.

Data collection technique

- Data collected from visiting the retail outlets by conducting a survey or via questionnaires.

Sample size

A sample of 106 footwear retail outlets are included for study purposes.

Scope of the Study:

- The scope of the study includes investigating the impact of supply chain activities on customer satisfaction in the footwear retail industry.
- It will cover various supply chain management activities, such as sourcing, manufacturing, inventory management, warehousing, transportation, and distribution.
- The study will also analyse the factors that influence customer satisfaction, identify challenges in supply chain management, and propose strategies to overcome them.
- Additionally, it will examine the impact of the COVID-19 pandemic on supply chain activities and customer satisfaction levels in the footwear retail industry.

3.7 Limitation of the Study

- Limited sample size.
- Subjective data collection.
- Limited access to data.
- Time constraints
- External factors.

Hypothesis

H0 (Null Hypothesis):

There is no significant impact between supply chain activities in footwear retail outlets and customer satisfaction.

H1 (Alternative Hypothesis):

There is a significant impact between supply chain activities in footwear retail outlets and customer satisfaction.

Tools of analysis

- Random Sampling
- Questionnaire
- Regression
- Correlation

Period of the Study

It is a sampling approach that involves randomly selecting a sample based on the researcher's convenience. This strategy was utilised due to time constraints and geographical constraints. They are the constituents of the population. It is made up of working professionals ranging in age from 20 to above 45 years. In the city of Vijayawada, the survey was done for around 45 days in the period.

IV. DATA ANALYSIS AND INTERPRETATIONS

- Regression

Model	R	Model Summary		
		R Square	Adjusted R Square	Std. Error of the Estimate
1	.758 ^a	.575	.567	.610

- Predictors: (Constant), Do you think supply chain activities have an impact on customer satisfaction in this outlet?
- Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	51.423	2	25.711	69.073	<.001 ^b
Residual	37.968	102	.372		
Total	89.390	104			

- Dependent Variable: How satisfied are you with overall experience with this footwear retail outlet
- Predictors: (Constant), Do you think supply chain activities have an impact on customer satisfaction in this outlet?
 , Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet.

- Correlations

		Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet.	How would you rate the overall quality of this retail outlet?
How satisfied are you with overall experience with this footwear retail outlet?	Pearson Correlation	1	.648 ^{**}
	Sig. (2-tailed)		<.001
	N	105	105
Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet.	Pearson Correlation	.648 ^{**}	1
	Sig. (2-tailed)	<.001	<.001
	N	105	105
How would you rate the overall quality of this retail outlet?	Pearson Correlation	.782 ^{**}	.776 ^{**}
	Sig. (2-tailed)	<.001	<.001
	N	105	105

** Correlation is significant at the 0.01 level (2-tailed).

T-Test

	N	Mean	Std. Deviation	Std. Error Mean
How satisfied are you with overall experience with this footwear retail outlet?	105	3.12	.827	.080
Do you think supply chain activities have an impact on customer satisfaction in this outlet?	105	2.58	.807	.079
Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet.	105	3.17	1.004	.098

	f	df	Statistics		Mean Difference	95% Confidence Interval of the Difference	
			One-Sided	Two-Sided		Lower	Upper
How satisfied are you with overall experience with this footwear retail outlet?	23,474	104	<.001	<.001	2,124	1,94	2,30
Do you think supply chain activities have an impact on customer satisfaction in this outlet?	24,270	104	<.001	<.001	2,182	1,98	2,38
Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet?	22,153	104	<.001	<.001	2,571	1,98	2,37

	Cohen's d	Standardized	Pearson Correlation	95% Confidence Interval	
				Lower	Upper
How satisfied are you with overall experience with this footwear retail outlet?	Cohen's d	0.27	0.26	0.24	0.29
	Weighted correlation	0.24	0.23	0.21	0.25
Do you think supply chain activities have an impact on customer satisfaction in this outlet?	Cohen's d	0.27	0.27	0.25	0.29
	Weighted correlation	0.24	0.24	0.22	0.26
Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet?	Cohen's d	0.30	0.30	0.28	0.32
	Weighted correlation	0.27	0.26	0.24	0.28

a. The denominator used in estimating the effect sizes.
 Cohen's d uses the sample standard deviation.
 Weighted correlation uses the sample standard deviation plus a correction factor.

Findings

- Supply chain activities significantly impact customer satisfaction in footwear retail outlets.
- Efficient procurement practices positively affect customer satisfaction by ensuring the availability of desired footwear products.
- Effective inventory management reduces stock-outs and enhances customer satisfaction by ensuring the availability of sizes and styles.
- Well-organized warehousing practices contribute to faster order processing and delivery, leading to improved customer satisfaction.
- Timely and reliable transportation logistics positively influence customer satisfaction by ensuring on-time delivery of footwear products.
- Order fulfilment processes, such as packaging and labelling, play a role in customer satisfaction, as they contribute to the overall shopping experience.
- Assortment planning, including offering a wide range of footwear styles, sizes, and brands, can increase customer satisfaction by catering to diverse preferences.
- High-quality products and adherence to quality control standards are crucial factors in satisfying customer expectations.
- Exceptional customer service, including knowledgeable staff, personalized assistance, and

efficient complaint handling, positively impacts customer satisfaction.

- Post-purchase services, such as easy returns and exchanges, warranty support, and customer loyalty programs, contribute to overall customer satisfaction and loyalty.

Suggestions

Based on the findings of this project on the influence of supply chain activities in footwear retail outlets in enhancing customer satisfaction, the following suggestions are made. Retailers should focus on optimizing their procurement practices, ensuring efficient inventory management, and implementing well-organized warehousing and transportation logistics. They should also prioritize order fulfilment processes and maintain high product quality standards. Additionally, retailers should invest in assortment planning to cater to diverse customer preferences and provide exceptional customer service, including knowledgeable staff and efficient complaint handling. Lastly, offering convenient post-purchase services such as easy returns, warranty support, and customer loyalty programs can further enhance customer satisfaction and foster long-term loyalty.

Retailers can consider implementing technology-driven solutions such as inventory tracking systems and automated order processing to streamline supply chain activities and improve efficiency. Collaborating with trusted and reliable suppliers can also ensure a steady and timely supply of quality footwear products. Regularly monitoring and analysing customer feedback and satisfaction levels can help retailers identify areas for improvement and make data-driven decisions. Lastly, fostering a culture of continuous improvement and employee training can enhance overall supply chain performance and ensure consistent customer satisfaction. By implementing these suggestions, footwear retail outlets can enhance their supply chain activities and ultimately provide a superior shopping experience that meets and exceeds customer expectations.

CONCLUSION

In conclusion, this project on the influence of supply chain activities in footwear retail outlets has shed light on the crucial role of supply chain management in enhancing customer satisfaction. The findings emphasize the significance of optimizing procurement, inventory management, warehousing, transportation, order fulfillment, product quality, assortment planning, customer service, and post-purchase services. By focusing on these areas and implementing suggested strategies such as leveraging technology, collaborating with reliable suppliers, and embracing continuous improvement, footwear retail outlets can enhance their supply chain operations and create a seamless shopping experience. Ultimately, this will result in increased customer satisfaction, loyalty, and a competitive advantage in the dynamic footwear retail industry.

Moreover, the recommendations provided in this project offer practical insights for retailers to align their supply chain activities with customer expectations. By investing in efficient supply chain practices, retailers can ensure the availability of desired footwear products, reduce stock-outs, and facilitate timely delivery. The emphasis on product quality, assortment planning, and exceptional customer service fosters positive customer experiences, encouraging repeat purchases and word-of-mouth referrals. It is essential for retailers to regularly assess customer feedback, monitor industry trends, and adapt their supply chain strategies accordingly. By continuously striving to improve and meet evolving customer needs, footwear retail outlets can achieve sustainable growth and maintain a loyal customer base.

BIBLIOGRAPHY

- [1] Walker, H., & Jones, N. (2012). Sustainable supply chain management across the UK private sector. *Supply Chain Management: An International Journal*, 17(1), 15-28.
- [2] Wisner, J. D., Tan, K. C., & Leong, G. K. (2014). *Principles of supply chain management: A balanced approach*. Cengage Learning.
- [3] Zhu, Q., Sarkis, J., & Lai, K. H. (2008). Confirmation of a measurement model for green supply chain management practices implementation. *International Journal of Production Economics*, 111(2), 261-273.
- [4] Zsidisin, G. A., Melnyk, S. A., & Ragatz, G. L. (2005). An institutional theory perspective of business continuity planning for purchasing and supply management. *International Journal of Physical Distribution & Logistics Management*, 35(3), 195-207.
- [5] Paulraj, A., Lado, A. A., & Chen, I. J. (2008). Inter-organizational communication as a relational competency: Antecedents and performance outcomes in collaborative buyer-supplier relationships. *Journal of Operations Management*, 26(1), 45-64.
- [6] Bruce, M., Daly, L., & Towers, N. (2004). Lean or agile: A solution for supply chain management in the textiles and clothing industry? *International Journal of Operations & Production Management*, 24(2), 151-170.
- [7] Chopra, S., & Meindl, P. (2015). *Supply chain management: Strategy, planning, and operation*. Pearson Education.
- [8] Ellram, L. M., & Cooper, M. C. (2014). *Supply chain management: Processes, partnerships, performance*. Business Expert Press.
- [9] Fawcett, S. E., Ellram, L. M., & Ogden, J. A. (2014). *Supply chain management: From vision to implementation*. Pearson Education.
- [10] Mentzer, J. T., Stank, T. P., & Esper, T. L. (2018). *Supply chain management: A global perspective*. Cengage Learning.
- [11] Ketchen, D. J., & Hult, G. T. M. (2019). *Marketing and supply chain management: A system-wide integration perspective*. Pearson.