

## **A STUDY ON INFLUENCE OF SUPPLY CHAIN ACTIVITIES IN FOOTWEAR RETAIL OUTLETS IN ENHANCING CUSTOMER SATISFACTION**

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### **ABSTRACT:**

The footwear industry is characterised by intense competition and high customer expectations about product availability and quality. Stores have been working harder in recent years to improve their supply chain operations in order to meet customer demands. Given the critical role supply chain management plays in every retail location's performance, merchants must optimise their supply chain operations in order to boost customer satisfaction. The success of shoe stores depends on their ability to provide their customers with the things they want at rates they can afford and in a timely manner. Procurement, inventory management, storage, transportation, and distribution are essential supply chain operations for footwear retail shops to ensure consumer satisfaction. Finding out which components of the footwear retail supply chain have the most effects on customer satisfaction is the aim of this research. The project's goal is to give solutions to the difficulties merchants experience while trying to optimise their supply chain operations. The project's ultimate goal is to provide retailers actionable advice on how to strengthen their supply chains and deliver better service to their clientele in the footwear retail sector.

### **KEYWORDS:**

### **INTRODUCTION:**

Manufacturing, distributing, and selling footwear is all part of the footwear business, which is a vibrant and fiercely competitive market. It has a major impact on the international economy because of the variety of tastes and styles it serves.

In the early 2000s, the footwear industry underwent numerous important breakthroughs. As a result of globalisation, factories making shoes moved to nations with cheaper labour costs

including China, Vietnam, and India. As a consequence of this change, several factories had to be shut down or combined with others.

Population expansion, increased urbanisation, and changing consumer tastes all contributed to a sustained uptick in the demand for footwear. In addition, the growth of e-commerce provided shoe stores with fresh openings to expand their consumer base and improve their service.

Both sustainable and ethical sourcing presented difficulties for the business sector. Many shoe manufacturers have been using environmentally friendly and ethical methods of production in response to consumer and government pressure. As a result, new eco-friendly materials were created, and efforts were made to increase supply chain transparency and promote ethical sourcing.

Innovations in technology also had an impact on the business world during this time. In order to increase productivity and adaptability, the footwear industry has used cutting-edge manufacturing methods including 3D printing and automation. To connect with clients and provide individualised service, the retail industry has embraced the Internet, e-commerce platforms, and mobile apps.

In addition, the trend of shoe companies and designers working together to create limited-edition, high-end lines of footwear gained momentum. Branding and marketing initiatives become vital in catching customers' attention and developing brand loyalty.

Competition was fierce, supply chains were always in flux, customer expectations were rising, and sustainability and technical improvements were major factors shaping the footwear business in the early 2000s. Because of these elements, the landscape of the business is always shifting and developing.

Value for money is a major factor in determining whether or not buyers will be happy with a shoe purchase. Customers have high standards for the value they get from their footwear purchases. Meeting client expectations and guaranteeing satisfaction requires striking a balance between price and perceived value.

Customers look for qualities like longevity, convenience, and efficiency in their footwear purchasing. They want shoes that can take a beating from regular use while still giving them the support and comfort they need for long hours at a time. Customers are more likely to be satisfied and think something is worth the price if they believe the materials and workmanship are of high quality.

Customers not only consider the shoes' appearance, but also the stores' reputations, levels of service, and help after a purchase. Customer satisfaction and the idea of value for the money are bolstered by a pleasant shopping experience, helpful customer service, and simple return and exchange procedures.

Customers are more likely to be pleased when they are able to save money and feel like they are getting a good deal thanks to price reductions, discounts, and loyalty programmes. When customers think they got a good bargain on a pair of shoes, they are more likely to recommend the store to their friends.

When it comes to spending money on shoes, consumers want to feel like they got their money's worth in terms of pricing, quality, durability, comfort, and the whole shopping experience. To thrive in such a cutthroat industry, you need satisfied customers who stick with you.

#### **REVIEW OF LITREATURE:**

1. Mello et al. (2019) - " A comprehensive overview of the literature on supply chain management in the footwear sector " The problems that shoemakers and retailers encounter, as well as the methods that have proven most effective in addressing those problems, are all examined in depth in this examination of footwear supply chain management.
2. Otieno et al.'s " An analysis of published research on footwear industry supply chain management procedures and results (2017) The present research investigates the integration of inventory management, supplier expansion, and information exchange into supply chain management strategies. The findings provide valuable insights for all stakeholders operating in the footwear sector.
3. "Retail supply chain management: A review" by Huang et al. (2016) - The efficacy and satisfaction of the retail supply chain may be increased by examining the roles that inventory management, logistics, and customer relationship management play in this regard.
4. Ganesan et al. (2017) " How to Manage the Retail Supply Chain Comprehensive Study. This study examines the problems that retailers encounter while trying to manage their supply chains, such as sourcing, shipping, and inventory management, and offers recommendations for how these issues might be improved. in order to strengthen bonds with customers, reduce costs, and boost output quality (Feyen et al., 2021).

5. " Jia et al. (2019) undertook an in-depth analysis of supply chain management practices' influence on retail patrons' levels of contentment. This review of the literature demonstrates the importance of supply chain transparency, flexibility, and reactivity to the success of retail operations and the satisfaction of customers.
6. Parmar et al. (2018), " An in-depth analysis of the research on supply chain management in the apparel industry This article provides a summary of the fashion industry's supply chain management practices, along with details on the challenges faced by retailers and suggestions on how technology might be utilized to improve supply chain efficiency.
7. Chen and Rahman's (2017) " This article is an overview of research on the state of fashion industry supply chain management.
8. Baena-Gracia, Gracia, and Vazquez-Bustelo's (2019) " This article does a literature review on the subject of sportswear supply chain management. Optimising supply chains is a primary goal for the sportswear industry, and this article explores current techniques in supply chain management with a focus on sustainability and innovation.
9. " In 2019, Ahmed and coworkers analyzed the literature on how supply chain management affects fashion sector customers' pleasure. This research emphasises the importance of sustainability, cost effectiveness, and supply chain agility in relation to customer satisfaction in the fashion industry.
10. The article by Nazari-Shirkouhi et al. (2018) named " The impact of supply chain management practices on companies' bottom lines in the apparel sector: a literature study" Specifically, this study looks at how supplier integration, information sharing, and cooperation affect business outcomes in the fashion sector via the lens of supply chain management practises.

#### **OBJECTIVE OF STUDY:**

The purpose of this study is to ascertain whether and how consumer satisfaction with online clothing purchases changes as a result of different contact points driven by artificial intelligence.

To analyze the relationship between the predictor variables (personalized recommendations, chatbots, voice assistants, and visual search) and customer satisfaction.

## RESEARCH METHODOLOGY:

The researchers have a lot of options about how to go about their investigation. To begin, we will do a thorough literature analysis to collect information on retail shoe supply chain operations and customer satisfaction. The next step in collecting data from a sample of footwear retail firms and their consumers is to choose an appropriate research technique, such as a quantitative survey or qualitative interview. The gathered information will be analyzed statistically or thematically to see whether supply chain processes are related to increases in customer satisfaction. Finally, the data will be analyzed to draw conclusions about the supply chain activities most responsible for the happiness of shoe shop consumers.

### 3.2 Statement of the Problem:

These shops range in size and structure from mom-and-pop operations to multinational chains to virtual marketplaces. Many obstacles, including internet rivals, shifting customer tastes, and supply chain disruptions, threaten the survival of traditional shoe stores. The shops where consumers may buy shoes directly from manufacturers are an important aspect of the footwear business. There are a number of obstacles that the footwear business must overcome, such as rising labour costs, growing environmental concerns, and changing customer tastes. The COVID-19 pandemic has had serious consequences for industry, including a drop in sales and supply chain interruptions.

### 3.3 Data collection technique

- Information gathered by visiting the retail locations and using questionnaires or surveys.

### 3.4 Sample size:

For research reasons, 106 retail footwear outlets were included in the sample.

### 3.5 Scope of the Study:

- The study's purview include an examination of how various links in the footwear retail supply chain affect end-user happiness.
- Everything from procurement to production to inventory control to storage to shipping and distribution will be included.
- In addition to examining what aspects affect customer happiness, this research will also identify problems with supply chain management and provide solutions.
- The impact of the COVID-19 epidemic on the shoe retail industry's supply chain and customer satisfaction will also be assessed.

### 3.6 Objectives of the Study:

- The aim of this research is to investigate the current shoe shop supply chain processes and identify areas that might need improvement.
- The purpose of this research is to determine how shoe shop customer satisfaction is impacted by supply chain activity.
- This research aims to assess the impact of supply chain procedures on consumers' satisfaction at physical shoe retailers.

### 3.7 Limitation of the Study:

- Limited number of samples.
- Data collecting that is subjective.
- Restricted data accessibility.
- Time restrictions
- The outside influences.

### 3.8 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.

### 3.9 Tools of analysis:

- Random Sampling
- Questionnaire
- Regression
- Correlation

### Period of the Study:

It is a method of sampling in which a sample is selected at random at the researcher's leisure. Time and location limitations necessitated the use of this tactic. They make up the population itself. It consists of 20-somethings to those older than 45 who are all working professionals. The study lasted around 45 days and was conducted in the city of Vijayawada.

## DATA ANALYSIS AND INTERPRETATIONS

- **Regression**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758 <sup>a</sup>	.575	.567	.610

a. Predictors: (Constant), To what extent do you believe supply chain operations at this establishment affect shoppers' happiness?

Give this store's supply chain operations an overall performance grade based on how well they satisfy the needs and expectations of its customers.

**ANOVA<sup>a</sup>**

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

a. Determinant Factor: Please rate your overall satisfaction with this shoe store.

b. Predictors: (Static) Do you believe supply chain activities influence customer satisfaction at this location?

How well do you feel the store's supply chain operations satisfy the needs of its customers and the expectations they set?

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.341	.163		2.096	.039

How well do you feel the store's supply chain operations satisfy the needs of its customers and the expectations they set?	.315	.076	.341	4.169	<.001
How much of an effect do you believe supply chain operations have on customer happiness at this establishment?	.510	.084	.499	6.103	<.001

• **Correlations**

<b>Correlations</b>				
		How satisfied are you with overall experience with this footwear retail outlet	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 prices of footwear products of this retail outlet ?
▶ How satisfied are you with overall experience with this footwear retail outlet	Pearson Correlation	1	.648**	.762**
	Sig. (2-tailed)		<.001	<.001
	N	105	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	.778**
	Sig. (2-tailed)	<.001		<.001
	N	105	105	105
How would you rate the prices of footwear products of this retail outlet ?	Pearson Correlation	.762**	.778**	1
	Sig. (2-tailed)	<.001	<.001	
	N	105	105	105

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



**T-Test**

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
How satisfied are you with overall experience with this footwear retail outlet	105	2.12	.927	.090
Do you think supply chain activities have an impact on customer satisfaction in this outlet ?	105	2.15	.907	.089
Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet.	105	2.17	1.004	.098

	t	df	Significance		Mean Difference	95% Confidence Interval of the Difference	
			One-Sided p	Two-Sided p		Lower	Upper
			Test Value = 0				
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 ?	24.316	104	<.001	<.001	2.152	1.98	2.33
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	2.171	1.98	2.37

		Standardizer <sup>a</sup>	Point Estimate	95% Confidence Interval	
				Lower	Upper
				One-Sample Effect Sizes	
How satisfied are you with overall experience with this footwear retail outlet	Cohen's d	.927	2.291	1.924	2.654
	Hedges' correction	.934	2.274	1.910	2.635
Do you think supply chain activities have an impact on customer satisfaction in this outlet ?	Cohen's d	.907	2.373	1.997	2.746
	Hedges' correction	.914	2.356	1.982	2.726
Please rate the overall efficiency and effectiveness of supply chain activities in meeting customer demands and expectations at this outlet.	Cohen's d	1.004	2.162	1.810	2.510
	Hedges' correction	1.012	2.146	1.797	2.492

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

**Findings:**

- Customer satisfaction at shoe stores is strongly influenced by the supply chain activities.
- Customers are more likely to be satisfied when the footwear they want is readily available, which is made possible by effective procurement practises.
- Customer satisfaction may be increased and stock-outs can be avoided with well-managed inventory.
- Order processing and delivery may be accelerated with well-organized warehouse procedures, which increases customer satisfaction.
- On-time delivery of footwear items has a favourable impact on customer satisfaction if transportation logistics are timely and dependable.
- Packaging and labelling are examples of order fulfilment operations that contribute to the whole shopping experience and, hence, to consumer satisfaction.
- Assortment planning, such as stocking a broad variety of shoe brands, sizes, and styles, has been shown to boost consumer satisfaction.
- Quality goods and rigorous quality control procedures are essential to meeting the needs of discerning consumers.
- client satisfaction rises in direct proportion to the quality of service provided, which includes such factors as staff competence, individual attention, and the prompt resolution of client complaints.
- Customer satisfaction and loyalty may be increased by offering post-purchase services including simple returns and exchanges, warranty support, and loyalty programmes.

## **5.2 Suggestions:**

These recommendations are grounded on the research conducted for this project, which examined the impact of supply chain activities on improving customer satisfaction at retail stores selling footwear. Retailers need to work on streamlining their supply chain by improving their buying methods, streamlining their inventory management, and establishing streamlined distribution networks. In addition, they must place a premium on order processing and quality control to guarantee customer satisfaction. Additionally, shops should engage in assortment planning to accommodate to different consumer tastes and offer great customer service, including skilled personnel and speedy complaint management. Last but not least, providing hassle-free returns, warranty support, and customer loyalty programmes after the sale may greatly increase customer satisfaction and loyalty.

To optimise supply chain processes and boost productivity, retailers might think about introducing technology-driven solutions like inventory monitoring systems and automated order processing. Working with dependable partners helps guarantee a constant flow of high-quality footwear on schedule. Retailers may use data-driven choices by regularly monitoring and assessing consumer feedback and satisfaction levels. Finally, boosting supply chain performance and maintaining customers' pleasure via a culture of continuous improvement and educating employees. Retailers of shoes may improve their supply chain operations and, in turn, provide customers a better shopping experience by applying these recommendations.

### **Conclusions:**

Supply chain management is a key factor in increasing customer happiness, which has been highlighted by this study on the impact of supply chain activities in shoe stores. The results stress the relevance of perfecting pre-purchase, post-purchase, and in-between-transaction processes such as purchasing, stocking, shipping, and fulfilling orders. Retailers of shoes may improve their supply chain operations and provide a more streamlined shopping experience by concentrating on these areas and applying the recommended tactics, such as making use of technology, working with dependable suppliers, and adopting a culture of continuous development. In the end, this will lead to greater consumer happiness, brand loyalty, and a strategic edge in the ever evolving footwear retail market.

In addition, the project's suggestions give retailers with actionable insights into how to better coordinate their supply chain operations with the expectations of their clientele. By investing in effective supply chain methods, merchants may assure the availability of requested footwear goods, minimize stock-outs, and promote prompt delivery. Customers are more likely to buy again and spread the word about a company that places a priority on product quality, thoughtful product selection, and outstanding service. Retailers must constantly evaluate supply chain strategy in light of consumer feedback and industry changes. Sustainable development and client loyalty are possible for shoe stores if they consistently innovate and adapt to their customers' requirements.

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