

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

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### Abstract

*The purposes of this study were 1) to identify the dimension of perceived service quality of fashion retail stores in the basis of expanded marketing mix, 2) to investigate the effect of each dimension on long-term orientation(customer satisfaction, trust, commitment and WOM/repurchase intention) on perceived service quality.*

*The questionnaires were administered to 333 women shopped in a fashion retail store in Gwang-ju city. Data were analyzed by using exploratory and confirmatory factor analysis, Cronbach'  $\alpha$ , and multi-regression analysis.*

*The results were as follows: 1) The dimension of perceived service quality based on expanded marketing mix were classified as follow: product, price, place, promotion, people, physical evidence, process services. Long-term orientation was categorized into four factors: customer satisfaction, trust, commitment, WOM/repurchase intention. 2) For the effect of the perceived service quality by dimension, product, people, physical evidence, process services have significant effect on long-term orientation, while price, place, promotion services have not significant.*

*Key words : perceived service quality, customer satisfaction, trust, commitment, WOM/repurchase intention.*

### I. Introduction

Since the Korean economic crisis of 1997, the domestic fashion distribution market has been rapidly changed through reconstructing and mergers and acquisitions to win in the competition of the distributive channel which has become keener. Since new types of distribution market, such as discount stores, home shopping, or online shopping malls, are fast-growing in their scale, the distribution industry including department stores

falls into crisis and focuses their efforts on customer marketing in many ways as a part of high quality and differentiated strategy, such as renovated stores, the invitation of luxury apparel, individual customer satisfaction.

However, it is true that only many numbers of promoting strategies can satisfy customers. Some companies carried out service policy at their option without pretest of tapping customers' opinions about service, consequently bringing out customer dissatisfaction. Moreover, Mazursky and Labarbera<sup>1)</sup> suggested that customer satisfaction

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<sup>1)</sup> D. P. Mazursky and A. A. Labarbera, "When consumers switch brands." *Psychology and Marketing*, 4, no. 1 (1987): 17-30.

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. For the fashion industry to retain the existing customers, it is not enough simply to create customer satisfaction. In other words, it is a very important strategy to find out and maintain concrete service quality in a long-term point of view which elicits a high interdependence between purchaser and seller, trust, commitment, and word-of-mouth(WOM)/ repurchase intention.

On the other hand, Boom and Bitner<sup>2</sup>, and Cowell<sup>3</sup> 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.

Accordingly, this study intended to understand that which service dimension had a direct effect on trust, commitment, and customer maintenance/WOM behavior, which are important in long-term relationship between fashion store and customer by classifying the perceived assessment of service quality on the basis of expanded service

marketing mix suggested by previous researchers.

## II. Literature Review

### 1. Service Quality

The concept of service implies deeds, process, and resulting performance. However, it is not easy to objectively access its quality due to its inherent characteristics of intangibility, inseparability, heterogeneity, and perishability<sup>4</sup>. Grönroos<sup>5</sup> suggested that service quality was perceived by customer's subjectivity, and Parasuraman et al.<sup>6</sup> suggested that it was overall assessment similar to attitude but was distinctive from satisfaction. In particular, they argued that the most optimal way to assess service quality was to measure customer's perception although an objective measurement instrument had not developed to assess service quality. Following their suggestion, many researchers began to discuss customer-perceived service quality.

Parasuraman et al.<sup>7</sup> defined service quality as the disagreement between the customer expectation of service before purchase and the perception of actual service in the process of consumption and attempted to understand what assessment criteria consumer used in the process of having expectation and perception in service. As a result, the measure of SERVQUAL was developed and it consisted of five dimensions: tangible, reliability, responsiveness, assurance, and empathy.

<sup>2</sup> B. H. Boom and M. J. Bitner, "Marketing strategies and organization structures for service firms, in marketing of services," Donnelly, J. H. & George, W. R. Proceedings Series, (AMA, 1981), quoted in Yoon-Shick, Cho, "An exploratory study on marketing mix strategies in service marketing," *Journal of Tourism and Leisure* 1, no. 1 (1989): 17-30.

<sup>3</sup> D. Cowell, "The marketing of services," (William Heinemann Ltd, 1984), quoted in Yoon-Shick, Cho, "An exploratory study on marketing mix strategies in service marketing," *Journal of Tourism and Leisure* 1, no. 1 (1989): 17-30.

<sup>4</sup> V. A. Zeithaml, L. L. Berry, and A. Parasuraman, "Communication and control processes in the delivery of service quality," *Journal of Marketing* 52, no. (April, 1988): 35-48.

<sup>5</sup> C. Grönroos, "A service quality model and its marketing implication," *European Journal of Marketing*, 18, no. 4 (1984): 37-40.

<sup>6</sup> A. Parasuraman, V. A. Zeithaml, and L. L. Berry, "A conceptual model of service quality and its implications for future research," *Journal of Marketing* 49, no. (Fall, 1985): 41-50.

<sup>7</sup> *Ibid.*

However, many researcher<sup>8,9)</sup> set forward counter-arguments against the perceived service quality proposed by Parasuraman et al. They made a premise that the concept of the perceived service quality should include the intangible attribute of service as well as tangible one such as provided products, facilities, price, or sale staff.

The clothing and textile field of Korea has reported a few researches on the assessment of service quality. Hwang et al.<sup>10)</sup> embodied the service quality of fashion retail stores according to experience and exploration and analyzed the relationship of service quality and satisfaction in stores. Hong<sup>11)</sup> classified service into store and sale dimensions to examine their effect on customer satisfaction. Kim and Kim<sup>12)</sup> divided service into internal and external factors of product. Again, the external factors of product included policy, people, and physical service to look at the relationship with the types clothing of shopping. In this way, there have been many researchers who focused on the assessment concept of service quality, applying many criteria of service quality dimensions.

On the other hand, Boom and Bitner<sup>13)</sup>, and Cowell<sup>14)</sup> viewed that it was illogical to apply the marketing mix for the manufacturing industry to all kinds of industry or business like a panacea and individual marketing mix for each industry or

business needed to be developed. Furthermore, they expanded the marketing mix into 7P: product, price, place, promotion, people, physical evidence, and process, and corresponding strategy of service quality needed to be implemented.

## 2. Relationship of Perceived Service Quality and Long-Term Orientation

The recent marketing view has been focused on establishing a long-term and durable relationship of purchaser and seller rather than temporary or intermittent one. It means that the industry should recognize customers as its partner and develop all marketing strategies in the direction of reinforcing the ties with customers for them to become faithful customers. Kelly and Thibaut<sup>15)</sup> explained the concept of long-term orientation as purchaser's perception that long-term and interdependent common activity results in the increase of their benefit. In this sense, short-term oriented purchasers are only concerned about the present choice and outcome, while long-term oriented purchasers focus on the achievement of the future goal and are concerned about the future result as well as the present one. Thus, customer satisfaction, trust, commitment, and customer retention are very important factors to clarify long-term orientation.

Patricia and Cannon<sup>16)</sup> saw that efforts should

<sup>8</sup> J. Cronin, J. Joseph, and S. A. Taylor, "Measuring service quality: A reexamination and extension," *Journal of Marketing* 58, (Jan, 1992): 55-68.

<sup>9</sup> R. K. Teas, "Expectations, performance, evaluation and consumers' perception of quality," *Journal of Marketing* 57, (Oct, 1993): 18-34.

<sup>10</sup> Sun Jin Hwang, Gyung Soon Hwang, and Jong Nam Lee, "The effect of service quality on consumer satisfaction of fashion retail stores," *Journal of the Korean Society of Clothing and Textiles* 24, no. 3 (2000): 323-334.

<sup>11</sup> Keum Ilce Hong, "Service quality and store satisfaction according to apparel store types," *Journal of the Korean Society of Clothing and Textiles* 24, no. 5 (2000): 760-771.

<sup>12</sup> Yun-hee Kim and Mi-young Kim, "The systematization of the concept in apparel store service and relationship with the shopping type of consumer," *Journal of the Korean Society of Clothing and Textiles*, 25, no. 1 (2001): 183-194.

<sup>13</sup> B. H. Boom, and M. J. Bitner. *Op. cit.*, 17-30.

<sup>14</sup> D. Cowell. *Op. cit.*, 17-30.

<sup>15</sup> H. H. Kelly and J. W. Thibaut, "Interpersonal Relations: A Theory of Interdependence," (New York: John Wiley & Sons, Inc., 1978), quoted in Ganesan, "Determinants of long-term orientation in buyer-seller relationship," *Journal of Marketing* 58, (April, 1994): 1-19.

<sup>16</sup> M. D. Patricia and J. P. Cannon, "An examination of the nature of trust in buyer-seller relationships," *Journal of Marketing* 61, (April, 1997): 35.

be made to improve service quality to retain long-term relationship with customers if reliable and cooperative relationship should be established. They argued that first of all, marketing administrators needed to build trust by promising and implementing high quality service and a reasonable price to customers. Ju and Jeong<sup>17)</sup> studied the process of developing the relationship of fashion retail stores and customers, and found that perceived service quality was served as an attractive factor in the stage of relationship exploration which is the early of relationship formation, that had a direct effect on customer satisfaction and trust which is the stage of relationship expansion where the interaction and cooperation between customer and business increase, and that had an indirect effect on commitment and WOM/repurchase intention which is the stage with the highest maturity of relationship. In particular, they suggested the need of understanding a concrete effect of components of the concept of service quality on long-term orientation with customers.

In relationship marketing, the concept of cumulative satisfaction has been widely used for customer satisfaction<sup>18)</sup>. It refers to the cumulation of satisfaction experience about personal transaction rather than personal satisfaction at one transaction. In particular, as customers assessed service or product more often and positively, it was found that its store or brand satisfaction became higher. Fornell<sup>19)</sup> reported that customer

satisfaction reinforced customer participation in the service process, finally leading to trust in and attachment to the service business over time.

On the other hand, since relationship marketing has regarded trust and commitment as important, scholars have begun to concentrate on factors forming it and performance obtained by it. Berry and Parasuraman<sup>20)</sup> referred to the guarantee of service quality as one of prerequisites for trust. The way of guaranteeing service quality is to provide free service for dissatisfied customers at service or to maintain higher or more special service than normal one. Its fulfillment will contribute for the retention of reciprocal relationship with customers. Cha<sup>21)</sup> suggested that providing special service which could eliminate uncertainty and variability increased the potential of trust. However, commitment was the final stage of interdependent, and could happen when purchaser and seller were satisfied at their relationship as they gave up the examination of alternatives to change into another partner<sup>22)</sup>. Macintosh and Lockshin<sup>23)</sup> revealed that customer's trust and commitment to salespeople directly influenced repurchase behavior, suggesting that salespeople's service characteristics in the business process was a critical factors influencing commitment.

Finally, the key element of WOM and repurchase is satisfaction or dissatisfaction at service quality. Customers' satisfaction may lead to a friendly and favorable effect of WOM on cor-

<sup>17)</sup> Seong-rae Ju and Myung-sun Chung, "The effects of perceived service quality and relational benefits on relationship development process between fashion retail stores and customers." *Journal of the Korean Society of Clothing and Textiles* 29, no. 2 (2005): 328-339.

<sup>18)</sup> R. A. Peterson, "Relationship marketing and the customer," *Journal of the Academy of Marketing Science* 23, (Fall, 1995): 278-281.

<sup>19)</sup> C. Fornell, "A national customer satisfaction barometer: The Swedish experience," *Journal of Marketing* 56, (Jan, 1992): 6-21.

<sup>20)</sup> L. L. Berry and A. Parasuraman, "Marketing Service: Competing through Quality," (New York: The Free Press, 1991): 35-40.

<sup>21)</sup> Bu-Keun Cha, "A study on the influential factors and their relationship in hotel relationship marketing," (Ph.D. diss., University of Kyungnam, 2000): 24-30.

<sup>22)</sup> Seong Yeon Park and Eun Mi Lee, "Theses: customer satisfaction and commitment for the enhancement of relationship marketing," *Ewha Management Review* 17, no. 2 (Dec. 1999): 81-98.

<sup>23)</sup> G. Macintosh and G. P. Lockshin, "Retail relationship and store loyalty : A multi-level perspective." *International Journal of Research in Marketing* 14 (1997): 487-497.

poration, whereas their dissatisfaction results in revealing claim or complaint to outside<sup>24</sup>. Hong<sup>25</sup> argued that although the achievement of customer satisfaction was expected to bring about customer's positive behavior, because it was difficult to predict human behavior, the stage immediately before consumption behavior must be included in the range of measurement. He added that WOM and repurchase intention must be examined as a resulting factor of consumer behavior.

Previous literature review confirms that perceived service quality is a important factor influencing long-term orientation of the fashion industry and customers, and customer satisfaction, trust, commitment, WOM/repurchase intention are essential factors to explain long-term orientation.

Accordingly, first of all, empirical analysis of this study intended to fine out the dimensions of perceived service quality of fashion retail stores on the basis of expanded 7P's marketing mix. Next, to grasp the effect of each dimension on customer satisfaction, trust, commitment and WOM/repurchase intention on perceived service quality.

### III. Research Methods

#### 1. Instruments

This study used questionnaire survey for empirical study. The perceived quality of service assessed about subjective judgement of fashion store customers. The measurement instrument was

a corrected and complemented version of SERVPERF, which was the perceived performance measure used by Galiano and Hathcote<sup>26</sup>, Hwang et al.<sup>27</sup> Customer satisfaction refers to the overall perceived/emotional reaction of customers to specific products purchased or service-related experience in fashion retail stores. The measurement instrument was a corrected and complemented on the basis of the questionnaire used by Oliver<sup>28</sup>, Ganesan<sup>29</sup>. Trust refers to the extent of confidence that fashion retail stores treat customers honestly and never behave opportunistically only for their profits. Customer commitment refers to the attitude-oriented intention of customers to become a regular customer of the fashion retail store. The measurement instruments were a corrected and complemented on the basis of the questionnaire used by Morgan and Hunt<sup>30</sup>. WOM/repurchase intention refers to behavior-oriented intention of customers to recommend those around them to use the fashion retail store, and continue to use the fashion store. The measurement instrument was a corrected and complemented on the basis of the questionnaire used by Ganesan<sup>31</sup>. The above measures used in this study consisted of 7-point Likert scale(1: disagree ~ 7: very agree).

#### 2. Sample, Data Collection and Data Analysis

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,

<sup>24</sup> Joo-Bin Hong, "A study on the causal relationship between perceived service quality and customer satisfaction and their effect on repurchase intention and word of mouth in Korean ladies' apparel stores" (Ph.D. diss., University of Dongguk, 1997).

<sup>25</sup> *Ibid.*

<sup>26</sup> K. B. Gagliano and J. Hathcote, "Customer expectations and perceptions of service quality in retail apparel speciality stores," *Journal of Service Marketing* 8, no. 1 (1994): 60-69.

<sup>27</sup> Sun Jin Hwang, Gyung Soon Hwang and Jong Nam Lee. *Op. cit.*, 323-334.

<sup>28</sup> R. L. Oliver, "Cognitive affective and attribute bases of satisfaction research," *Journal of Consumer Research* 20 (1993): 418-430.

<sup>29</sup> Ganesan, "Determinants of long-term orientation in buyer-seller relationship," *Journal of Marketing* 58, (April 1994): 1-19.

<sup>30</sup> R. M. Morgan and S. D. Hunt, "The commitment-trust theory of relationship marketing," *Journal of Marketing* 58, (July, 1994): 20-38.

<sup>31</sup> S. Ganesan, *Op. cit.*, 1-19.

who usually had their accustomed stores. Researchers visited subject stores in person and asked which store responders frequently used and what corresponding close relationship was. 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 WOM/repurchase intention.

### IV. Results

#### 1. Classifying Fashion Retail Stores by the Dimension of Perceived Service Quality

This study first conducted exploratory factor analysis and then confirmatory factor analysis to draw the conceptual dimension of perceived service quality, based on expanded 7P's marketing mix.

First, the exploratory factor analysis was conducted in 25 items which measured the perceived service quality of fashion retail stores. Since two items was found to impede explanation and re-

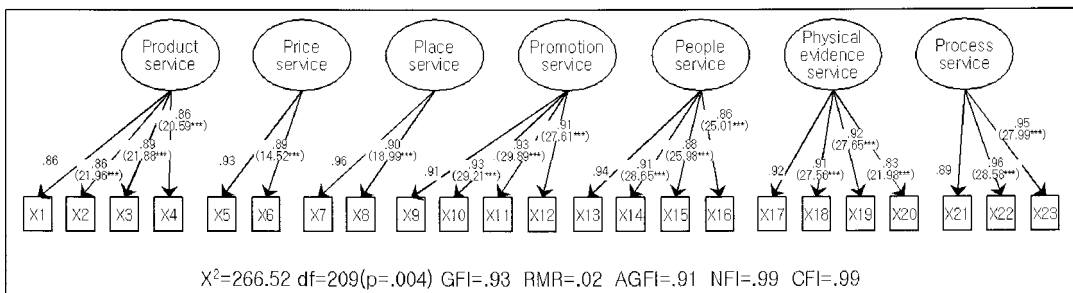
liability, it was eliminated and finally 23 items were reanalyzed. As a result, 7 factors with eigenvalue of 1.0 and over. Reliability of each factor was .90 and over and the total variance explained by these factors was 87.54%(Table 1).

Next, to secure the validity of latent variables, the confirmatory factor analysis were conducted and the results were shown in (Fig. 1). General fitness measures were  $\chi^2=266.52$ ,  $df=209(p=.004)$ ,  $GFI=.93$ ,  $AGFI=.91$ ,  $RMR=.02$ ,  $NFI=.99$ , and  $CFI=.99$ , suggesting relatively high measures. The standardized loading, which connects measured items with corresponding constructs, was also found very significant( $p<.001$ ), and demonstrated the convergent validity of measured items. It suggests that the dimension model of perceived service quality of fashion retail stores based on expanded 7P's marketing mix is appropriate. Accordingly, the perceived service quality of fashion retail stores may consist of 7 dimensions: product service, price service, place service, promotion service, people service, physical evidence service, and process service.

#### 2. Customer's Long-Term Orientation toward Fashion Retail Stores

A total of 12 items about customers' long-term orientation toward fashion stores were analyzed using the Varimax Rotation Method. It was divided into 4 dimensions with eigenvalue of 1.0 and over. Reliability of each factor was more than .83. A total of variance explained by these factors was 81.63%.

Factor 1 included customers' cognitive/emotional response to their product and service ex-



<Fig. 1> Confirmatory Factor Analysis of the Perceived Service Quality.

〈Table 1〉 Exploratory Factor Analysis of the Perceived Service Quality

Factors	Items	Factor Loading	Eigen Value	% of Variance	Cronbach's $\alpha$
Factor 1 Promotion service	· This store frequently holds all kinds of discount events (uniformity sale/clearance sale) and gives many chances to buy clothing at a cheaper price.	.88	9.75	42.42	.95
	· This store has a mileage system.	.87			
	· This store sends information of new brand or events.	.85			
	· This store is well-displayed.	.84			
Factor 2 Physical evidence service	· This store has a lounge with chairs or sofas.	.88	2.31	10.06	.94
	· This store has products in good order for customers' easy search.	.87			
	· This store has comfortable shopping environment(lighting, aromatic)	.87			
	· This store has a convenient layout to go around.	.83			
Factor 3 People service	· This store's salespeople do not burden customers with purchase.	.88	2.11	9.20	.94
	· This store's salespeople have enough knowledge of products.	.85			
	· This store's salespeople promptly respond to customer's need.	.83			
	· This store's salespeople try to solve customer's need through exact understanding.	.83			
Factor 4 Product service	· The clothing sold in this store is fine and good in sewing and the finish.	.86	1.83	7.98	.92
	· The clothing sold in this store has extra buttons and fabrics.	.85			
	· The clothing sold in this store is good in fabric quality.	.85			
	· This store has a well-assorted stock in design, color, and size.	.83			
Factor 5 Process service	· This store keeps the date of mending, refund, exchange, or guarantee.	.88	1.69	7.35	.94
	· If there is no customer's desired size, this store contacts other stores.	.87			
	· If customers change their mind after purchase, this store is willing to exchange or refund	.87			
Factor 6 Price service	· The clothing of this store is cheaper than one of other stores.	.91	1.40	6.12	.86
	· Since the price range of this store is very wide, a price burden is not big.	.90			
Factor 7 Place service	· This store is famous.	.88	1.01	4.38	.85
	· This store is easy access to do the shopping.	.87			

perience in certain fashion retail store, such as outstanding choice and general satisfaction, and was named "customer satisfaction". Factor 2 included customer's attitude toward stores, such as

love to a dealing store, continuous business, and future possibilities, and was named "commitment". Factor 3 included customer's behavior orientation toward stores, such as positive WOM

or repurchase intention, and was named "word of mouth and repurchase intention". Finally, Factor 4 included that certain fashion retail store would treat customers honestly without any opportunist behavior for its profits and was named "trust".

### 3. Effect of the Perceived Service Quality on Long-Term Orientation

To grasp the effect of the perceived service quality on long-term orientation (customer satisfaction, trust, commitment and WOM/repurchase intention) in the concrete, regression analysis was conducted: every dimension of the perceived service quality became an independent variable and customer satisfaction, trust, commitment and WOM/repurchase intention became a dependent variable. The results were shown in (Table 2).

First, as reported in (Table 2), generally, the perceived service quality was found a statistically significant effect variable of customer satisfaction ( $F=14.711, p<.001$ ). A total of variance that the perceived service quality explained customer satisfaction was 24.1%. For the effect of the perceived service quality by dimension, process service had the most significant effect on customer satisfaction, followed by product, physical evidence, and people service, while price, place, and promotion service had no a significant effect.

Next, for grasp the effect of the perceived service quality on customer trust in the concrete, the perceived service quality was found a statistically significant effect variable of trust ( $F=12.753, p<.001$ ). A total of variance that the perceived service quality explained trust was 21.5%. For the effect of the perceived service quality by dimension, process service had the most significant effect on trust, followed by people, physical evidence, while the rest of service quality had no a significant effect.

The third, for grasp the effect of the perceived service quality on commitment in the concrete, the perceived service quality was found a statistically significant effect variable of commitment

( $F=12.409, p<.001$ ). A total of variance that the perceived service quality explained trust was 21.1%. For the effect of the perceived service quality by dimension, only two factors (physical evidence and people service) had a significant effect on commitment.

Finally, for grasp the effect of the perceived service quality on WOM/repurchase intention in the concrete, the perceived service quality was found a statistically significant effect variable of WOM/repurchase intention ( $F=9.829, p<.001$ ). A total of variance that the perceived service quality explained trust was 17.5%. For the effect of the perceived service quality by dimension, physical evidence and people service had a significant effect on WOM/repurchase intention of the same commitment, while the rest of product, price, store place, promotion, and process service had no a significant effect in the same way of commitment.

The path which had a significant effect of the perceived service quality by dimension on long-term orientation with customers in fashion retail stores was analyzed and shown in (Fig. 2). As presented in (Fig. 2), product, people, physical evidence, and process service were found as important dimensions which had an effect on customer satisfaction, trust, commitment, and WOM/repurchase intention. On the contrary, price, place, and promotion service had no a statistically significant effect. Particularly, it should be noted that people service in connection with salespeople and physical evidence service in connection with shopping environment, display, and layout were found important in the effect on commitment which strengthened friendly relationship of fashion retail stores and customers and interdependence and positive WOM/repurchase intention.

These results support Corsby and Stephens<sup>32)</sup>, who suggested that salespeople's response was important in service quality needed to retain long-term orientation between business and cus-

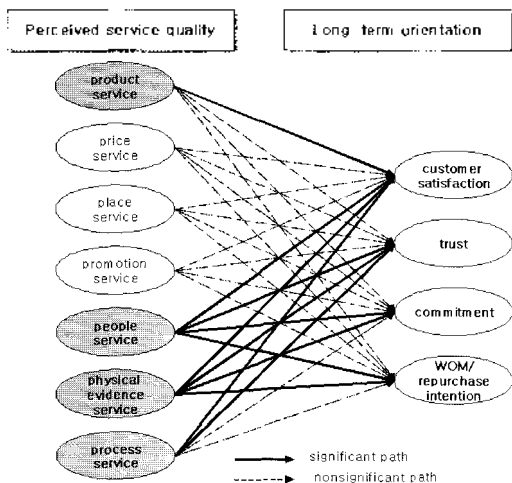
<sup>32</sup> L. A. Crosby, and N. J. Stephens. "Effects of relationship marketing on satisfaction, retention and price in the Life Insurance Industry," *Journal of Marketing Research* 24, (Nov. 1987): 404-411.



<Table 2> Effect of the Perceived Service Quality on Long-Term Orientation

Independent Variables		Dependent Variable	$\beta$	$t$	$F$	$R^2$
Perceived Service Quality	Product	Customer satisfaction	.13	2.26*	14.711***	.241
	Price		.07	1.28		
	Place		.01	.16		
	Promotion		.03	.51		
	People		.12	2.02*		
	Physical evidence		.12	2.03*		
	Process		.21	3.46***		
	Product	Trust	.09	1.65	12.753***	.215
	Price		.10	1.79		
	Place		-.05	.82		
	Promotion		-.09	-1.39		
	People		.19	3.08**		
	Physical evidence		.12	2.09*		
	Process		.24	3.92***		
	Product	Commitment	.08	1.36	12.409***	.211
	Price		.04	-.67		
	Place		.03	.58		
	Promotion		-.08	1.33		
	People		.16	2.64**		
	Physical evidence		.31	5.41***		
	Process		.07	1.20		
Product	WOM & repurchase intention	.08	1.25	9.829***	.175	
Price		.01	.12			
Place		.06	-1.10			
Promotion		.05	-.80			
People		.23	3.63**			
Physical evidence		.15	2.51**			
Process		.09	1.91			

\* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .



(Fig. 2) Effect of the perceived service quality on long-term orientation.

tomers, and agree with Macintosh and Lockshin<sup>33</sup>, who suggested that since customers' trust and commitment to salespeople had a direct effect on repurchase behavior, salespeople management was important. However, it seems to be somewhat different from Patricia and Cannon<sup>34</sup>, who suggested that product quality and price should take precedence to maintain trust and cooperative relationship between business and customers. It may result from standardized price of the fashion industry, compared to product quality, and the same brands of retail stores. Customers become more sensitive to emotional and attitude service of salespeople in the process of purchase rather than product itself.

## V. Conclusion

The strategic points from results are as follows.

First, previous researches on the assessment dimension of service quality have overlooked service marketing that is regarded important as a strategic element, and mainly focused on the marketing mix developed for the manufacturing industry, only adding a policy element of stores.

For this reason, this study classified the perceived service quality of fashion retail stores into 7 dimensions, based on the expanded marketing mix. It may contribute to verifying performance of general marketing strategy and service quality strategy in the distribution industry as well as in the fashion and manufacturing industry because the assessment elements of service quality is based on marketing mix<sup>35</sup> which is means of marketing strategy.

Second, it was found that the perceived service quality had a significant effect on customer satisfaction, as well as trust, commitment, and WOM/repurchase intention. Particularly, as shown in the results of this study, to elicit customer satisfaction and trust, visual service, i.e. quality fashion product needs to be delivered to customers. Since most of fashion products becomes standardized, the fashion industry needs to deliver update and new products promptly to satisfy customers and it contributes to continuous creation of demand.

Moreover, to maintain customers in a long-term point of view, most important factors of service quality include shopping environment such as layout, lighting, or relaxation space and salespeople met during purchase. It reflects that choosing a fashion store partly depends on a variety of convenient facilities. For this reason, fashion marketers should focus on convenient facilities (e.g. a gallery, a cinema, or a fitness center) to make shopping happy as well as the exterior of a store, wallpaper, the floor, color, lighting, aromatics, or shopping layout. Specially, since salespeople service has a direct effect on word-of-mouth and repurchase intention in customers, the fashion industry must make efforts to manage employees. To come into friendly relation with customers, employees should have broad knowledge and technique of fashion and lead customers to comfortable and happy shopping. It implies that employee training and development of program to strengthen their ability become a

<sup>33</sup> G. Macintosh and G. P. Lockshin, *Op. cit.*, 487-497.

<sup>34</sup> M. D. Patricia and J. P. Cannon, *Op. cit.*, 35.

<sup>35</sup> D. Cowell, *Op. cit.*, 17-30.

very important strategic plan.

However, the limitation of this study was to limit subjects to women of 25 age and over. Although this study intended to grasp an effect of perceived service quality by dimension on long-term orientation(customer satisfaction, trust, commitment, and WOM/repurchase intention), an effect between dependent variables was not examined. Further research needs to find relation between these factors, as well as expand the scope of study by including consumer characteristics or marketing-related variables.

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