

Assessment methods regarding the service level of specialized retailers

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Abstract: *Through this paper, we aim to emphasize the role and importance of the service level offered by modern retail companies. In an environment of intensely competitive business, the customer service is a means of differentiation from competitors and a way of increasing customer loyalty. For achieving this purpose, we conducted two market research studies, using the qualitative and quantitative methods, in order to measure the satisfaction of the customers from Brasov city regarding the level of service offered by the specialized retailer Decathlon. This company is always concerned about customer satisfaction in a timely manner and about brand consolidation at national and international level.*

Key-words: *service level, specialized retailer, market research.*

1. Introduction

To be successful on the domestic and foreign market, enterprises concentrate their efforts more and more on understanding the implicit and explicit requirements of customers in order to continuously increase the satisfaction of their needs and expectations, taking into account both current customers and prospects.

Serving customers is a complex process influenced by several factors: frequency of delivery, security of supply, stock level and order fulfilling time. This process is determined by the interaction of all those factors that influence the process of providing goods or services to buyers. The clients want to have confidence in the company's ability to provide the required quality and to maintain this quality (Neacşu, 2015, p.105).

From the specialists' perspective, customer service is considered a powerful competitive tool. The competitive advantage offered by improving service levels is more durable than the general advantage of price reduction. Competitors may imitate the pricing policy, but they cannot always imitate a service policy.

From another perspective, customer service is defined as a set of interrelated activities. Therefore, customer service represents the chain of sales activities and

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customers' needs satisfaction, which starts with receiving orders and ends with the delivery of products to customers; in some cases, it continues with services equipment maintenance or other technical support (Blanding, 1974, p.3).

Logistics activities represent a defining element for achieving a sustainable competitive advantage, so the management of these activities is an essential component. The key issues are related to achieving a client service according to the clients' needs and requirements, sometimes using differentiating elements for being able to exceed their expectations. Speed of response, honouring promises consistency, reliability and flexibility are a few defining aspects that can differentiate a business organization from a similar one (Moser, 2016, p.12).

The Decathlon store is part of the Oxylane Group, which has two main areas of expertise: creating sports equipment and local sale. That means Oxylane controls all the development of the whole production process, from research and development to sales, including design, production and logistics, all encouraging the creation of new sports equipment in order to make sport accessible to everyone. Decathlon is the main form of retail sale within the group. The main products sold by the Decathlon stores are supplied by Passion brands, created by the Oxylane group.

2. Qualitative and quantitative analysis of the service level in Decathlon

Serving the customer is firstly a logistics strategy, but more importantly, it is a way of differentiating the company from competitors. This distinction has a stronger effect than any other policy because it is based on the human factor and cannot be copied like any other policy or strategy.

The analysis of the customer service implies approaching the following issues: product availability, order cycle duration, goods status at the reception moment, staff availability, staff training level etc.

Considering all the issues mentioned, it is necessary to conduct a marketing research for identifying customer needs and for analysing their satisfaction as regards the serving policy in the Decathlon store in Brasov city (Romania).

2.1. Research methodology

The qualitative marketing research was conducted using the semi-structured interview method based on an interview guide focused on the following objectives: identifying the Decathlon image in the consumers' mind; identifying the reasons for choosing the Decathlon store for purchasing sporting goods; pursuing customer satisfaction or dissatisfaction regarding the quality of service offered by the specialized retailer Decathlon; determining the points that need to be improved for retaining the customer.

The sample consisted of 50 people who have shopped at least once in the Decathlon store and who have not participated in market research in the last half year. Out of the 50 participants, 30 were men and 20 were women. 30 people are interested in sports, and the remaining 20 do not practise any sport. Their selection was based on a recruitment questionnaire.

The content analysis was performed using the analysis grid where all the themes of the interview guide are disposed on lines, while the columns refer to a representative proportion of individuals who participated in this interview about the customers' serving policy in the Decathlon store.

The *quantitative marketing research* was conducted in order to identify customer needs and their satisfaction on the serving level in the Decathlon store in Brasov. This research was based on a questionnaire with 25 questions and was applied to a sample of 125 people in Brasov.

As sampling method, the multistage sampling was chosen - because we do not have a list of Braşov citizens aged over 18, which would have allowed a systematic random sampling. We considered the city's districts to be primary sampling units (15), the secondary units – the district streets, tertiary units – the buildings, quaternary units – the individuals. The first step was represented by the selection of the Brasov city neighborhoods that were chosen to be part of the sample. The following neighborhoods were selected by simple random sampling: Central Civic and Astra. After that, a list was made with the streets that represented the base for sampling for the next step. Three streets have been extracted from the district Central Civic and seven streets from Astra district. From these streets, 125 properties were randomly extracted and one person from each property was asked to complete the questionnaire.

2.2. Qualitative marketing research results

The analysis has revealed that the first thing that comes into the respondents' minds about the Decathlon store is sport. The clients' opinion about the Decathlon store image is very good and the majority consider that the store is a new and different concept.

The main reason that customers choose Decathlon for buying sports equipment is because in this store they find everything they need. They do not have to walk through different specialized stores for various sports.

Customers are very satisfied with the services offered (mainly the products warranty and the workshop available to the customer for repairs), the employees' kindness and professionalism. But customers are not satisfied by the small number of employees available in the store in order to provide the support they need.

The respondents say that they are satisfied with the quality offered by the Decathlon store through its private brand products, but there are some problems with the lack of availability of products on the shelves. As regards the problems with the products bought, 90% of the respondents answered that they were quickly resolved.

The most frequently mentioned reasons why the clients come back to the store and will return in the future are related to the varied product range and their quality, or simply because they like to buy from the Decathlon store. Both male and female respondents offered similar answers to the questions, no matter if they practise sport or not.

In conclusion, the customers are satisfied with the store and they intend to come back in the future, for other purchases.

2.3. Quantitative marketing research results

The results of the quantitative marketing research have showed that most respondents buy the sports equipment from Decathlon, and only 12.8% from other stores. All respondents have said they are satisfied with the guarantee offered by the Decathlon store for the products. Also, there is no respondent dissatisfied with the services provided by the workshop service. More than half of the respondents (66.3%) are completely satisfied, and 33.7% of the respondents say they are satisfied.

The analysis reveals that customers who have loyalty cards buy 25% more. There is a percentage of 9.6% of respondents who are neither satisfied, nor dissatisfied with the benefits of the loyalty card. It is highly probable that these customers do not know what the advantages of loyalty card are and so, they do not use it every time they buy from the store. Because of that, they will not be tempted to buy more. The proportion of satisfied and totally satisfied respondents is very high (90.4%), but the strategy of the Decathlon store is that each client should leave 100% satisfied. Decathlon validates the products' quality through the products warranty offered. The products' quality is reflected through the percentage of 40% completely satisfied respondents and the percentage of 37.6% satisfied respondents. A neutral response was given by 22.4% of the respondents.

Regarding the staff availability inside the store, the percentage of unsatisfied customers is equal to the percentage of satisfied customers (9.6%). We consider that for a store that wants every customer to leave 100% satisfied, this percentage is far from satisfactory, even though the majority of respondents are satisfied with the staff availability (60%). From all those customers who have had problems in the store, 47.6% said that the situations were solved immediately, 38.1% of them said that the situations were solved in 1-3 days and 14.3% in more than 3 days. These percentages should be significantly improved, because, according to the store strategy, all problems must be solved on the spot, if possible.

After testing the hypothesis concerning the link between the income level and the frequency of purchasing from Decathlon, it resulted that the majority of respondents with incomes above 1001 lei buy from Decathlon 2-3 times per month, while the respondents with an income below 1,000 lei, buy more rarely than once a

month. These differences should mean that there is a relation between the two variables.

The decision on the relation between the two variables, based only on the contingency table, is difficult and biased. So, for an objective decision, it is necessary to apply the *Chi-Square Test*.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.010^a	12	.368
Likelihood Ratio	12.050	12	.442
Linear-by-Linear Association	.275	1	.600
N of Valid Cases	125		

Table 1. *Chi-Square Test*

$$\chi^2_{0,05;12}=11,34$$

$\chi_{\text{calc}}=13,010 > \chi^2_{0,05;12}=11,34$, so H_1 is the accepted hypothesis => we can guarantee with a probability of 95% that, for the investigated population, there is no relation between the income level and the frequency of purchase.

3. Conclusions

Both studies conducted among Decathlon customers have showed that people are generally satisfied with the services offered by the store. The biggest complaints are about the lack of staff and some low quality services, showing that these aspects are not treated seriously.

It is important for the company to make its employees aware that the serving activity involves direct contact with people. No matter how good the strategy is, people are those who have to apply it, and the customers' perception will lead to the strategy success or failure. The sales managers and marketing managers need to react to the changes that may affect supply, demand or the progress of the activity. They must have the skills to solve various problems, highly developed communication skills and the capacity to be oriented toward profit (Bălășescu, 2011, p.72).

A strategy is successful only if all the involved employees know and understand the strategy. The service offered by the company and the people who provide the service are the key elements that should be considered. The company should give a boost for motivating and supporting employees. To be profitable on a market with strong competition, the company must be customer-oriented, meaning be concerned about satisfying customers' needs by providing the best service. Therefore, the company must consider the customers, but also the employees. The

provision of quality services by deeply committed and motivated workers is considered a key organizational goal (Băltescu, 2010, p. 168).

The whole methodology of personalising the serving strategy is to transform serving into an enjoyable activity for those who provide it, by offering rewards to stimulate them. This does not mean only material rewards, but also conditions created for employees to feel less tired and in better shape after working hours. If employees feel they have achieved something, they will be satisfied. Gradually, they will begin to feel better while working and will be more involved in the work process. They will feel they are an important mechanism inside the company and inside the strategy. If people realize they are „lost” if they don’t change, then they will be genuinely useful.

By customizing work, a more humane serving strategy will be achieved. The support for the employees directly working with customers requires the involvement of the management at every hierarchical level. The management should support the serving strategy through actions on the key elements that contribute to adding value for the customer. It must take those actions to support the staff.

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