

## Product Supply Chain Characteristics and Customer Loyalty: A Case Study of District Peshawar

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### ABSTRACT

Better features and services provide assistance to customers and increase their demand for any particular product. Especially, the elite class is highly sensitive about their living, assets and products they use and try to get full satisfaction from the features of the products. The present study examines the relationship between vegetable supply chain features and customer loyalty in district Peshawar. For this purpose primary data has been collected from 85 families of elite class living in the Posh areas namely Hayatabad, Defense and Warsak Road. Data has been collected randomly from 48 families of Hayatabad, 25 from Defense and 12 living on Warsak Road respectively. The main findings are that better product features including price, color, quality, packaging, and promotion, mobile commerce and home delivery significantly affecting customer loyalty in all the three areas of district Peshawar.

**KEYWORDS:** Customer Loyalty, Supply Chain Characteristics, Correlation

### 1.1 INTRODUCTION

Peshawar is metropolitan city a lot of Businessman's, high ranked government officers, and all around rich families are living in this city. Due to the ongoing terrorism in the district the elite class are highly sensitive about life, therefore expect safely, and most convenience way to full their basic need. A series of literature existed on the forces affect on Product selections on the basis of other silent features; however the empirical results are mixed and still seem to be in the data. European Customer Satisfaction Index (ECSI) model perceived quality is divided into two elements: "hardware", which consists of the quality of the product or services attributes and "human ware" which represented the associated customer behavior the product/services (Martensen & Grønhold, 2006). Quality of a product has strong relationship with customer satisfaction (Parasuraman, Zeitham, Berry, & 1985). Increase in product quality of the company can satisfy and develop attitudinal loyalty which ultimately retains valued customers. The higher level of perceived product services result in increased customer satisfaction. When the perceived product quality is less than expected product quality customer will dissatisfied under this statement company brand far away to success.

The role of customer products packaging has moved away from that of merely protecting the contents to a more vital role as a marketing vehicle. This raises the issue of how packaging should be designed to relay an association with high quality to the customer. An empirical investigation based on Kano's theory of attractive quality was conducted to determine how 24 quality attributes of packages are perceived by customers. Results from questionnaires mailed to 1500 Swedish citizens revealed that quality attributes of packaging, such as recyclability and reseal ability, influence the decision to buy and use the product.

Relationship between colors and buying behavior is very insightful. Product's packaging and color have direct and first impact on customers psyche. Therefore, an advertisement has good color scheme it will attract a lot of buyers. Earlier studies show that roughly 80% of the hiring decisions are based on exterior factors, and that 65% of that involves clothing color. Brown and green seem to arouse confidence, and some designers use this information for intake interviews. In addition, black and deep blue colors imply authority, all this shows the importance of colors in human perception and hence decisions.

Prices is an important element in every transaction either it would be related to good or non good mean to say services. Prices show their effect on customer buying decision. In market there are two types of customer's quality conscious and second types is Prices conscious. Quality conscious customer belief on services and good quality they

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do not negotiate about prices and primary query is demanding quality things, on other side Prices conscious customer belief on low and reasonable prices these type of customer negotiate too much about prices. Prices also have impact on customer satisfaction which leads at the end customer loyalty, reasonable and low prices of product and services attracted too much customer attention and also make customer to do buying.

Promotion is a form of cooperate communication that uses various methods to reach a targeted audience with certain message in order to achieve specific organization object. According to (Onwuchuruba, 2012) will depend on services and products price offers, distributions system and promotional programmed. On promotional strategy, current and potential customers need be encouraged to obtain, utilize and benefit maximally from services provisions. In so doing, the services provision can immensely achieve its corporate objectives. In a specific term, level of customer satisfaction in provisions could be improved in decisions as; formulating and choosing appropriate promotional objectives and tools (e.g. advertising, personal selling, publicity, sales promotions etc). Here, designing of promotional campaign, launching new product, coordinating and controlling all services and products through promotional activities to ensure maximum results of customer satisfaction.

Home delivery leads convenience concept, Home delivery services show the end of supply chain. Home Delivery Ideology is when customer receives Products (vegetables) at door step. Time, personal visits and trust building are the main things which affect the home delivery.

Time has impact on home delivery, because time is money in modern era, so here it would not be wrong to say that at society elite class life schedule is so busy every single minute important to them, that's the point particular targeted group aspect delivery of product on time.

While dealing with customer Human Ware is too much important factor in home delivery, because at door step directly communicates scenario ahead with customer this is a phase in which counted to build success full customer relationship which is later on lead to customer loyalty.

Particular study trying to enlarged trust of customers, Trust building variable incense when services provider carry out vegetable to customer home and customer receive the Vege-items, transaction going to in last phase which is payment at the same time sellers found that customer has no enough money to pay at present and then sellers replied it OK do payment next time, causes of that scenario customer trust is build.

Home delivery enhance customer satisfaction, it's easy to understand while customer receiving good quality, good packing and on reasonable prices of a product, by that way customer become satisfied. Home delivery also enhance some other benefits as will, like saving customer time as vehicle cost and little more free from security charges.

Mobile commerce is types of Electronic way conversion between sellers and buyers. Mobile commerce counted easiest, cheapest and fasted way of bargaining. A wide of Vegetable items prices received to customers by mobile message, and it's a most convenience way to make an order of vegetables from home and received the items at door step

Customer loyalty is the end result of time and again positive emotional experience, physical attribute-based satisfaction and superficial value of an experience, which comprise the product or services. Customer loyalty which lead to service success enhance by above variables such as quality, packing, promotion, color, prices, home delivery, Mobile Commerce etc.

## 1.2 Research Objectives

The purpose of the present study is to analyze the relationship between product features and customer loyalty in district Peshawar.

## 1.3 Hypothesis

The following hypothesis has been tested.

- H01:** Product quality affects customer loyalty in district Peshawar.
- H11:** Product quality does not affect customer loyalty in district Peshawar.
- H02:** Product packaging affects customer loyalty in district Peshawar.
- H12:** Product packaging does not affect customer loyalty in district Peshawar.
- H03:** Product promotion affects customer loyalty in district Peshawar.
- H13:** Product promotion does not affect customer loyalty in district Peshawar.
- H04:** Product colour affects customer loyalty in district Peshawar.
- H14:** Product colour does not affect customer loyalty in district Peshawar.
- H05:** Product price affects customer loyalty in district Peshawar.
- H15:** Product price does not affect customer loyalty in district Peshawar.
- H06:** Product home delivery affects customer loyalty in district Peshawar.
- H16:** Product home delivery does not affect customer loyalty in district Peshawar.

**H07:** Product mobile commerce affects customer loyalty in district Peshawar.

**H17:** Product mobile commerce does not affect customer loyalty in district Peshawar.

## 2.0 Data and Methodology

The present section shows information about the data, sample size and mythology of the study. The details are as follows

### 2.1 Data and Sample Size

The main purpose of the present study is find out the relationship between product characteristics and customer loyalty. Specifically, the main focus was on to check whether vegetables items better characteristics affect customer loyalty in district Peshawar or not? The data has been collected from the elite class families living in three main posh area Hayatabad, Defense and Warsak Road. The total number of families selected was 85 out of which 48 belongs to Hayatabad, 25 Defense and 12 Warsak Road areas of district Peshawar respectively. The field survey has been carried out during 2015-2016. The customers were asked questions regarding vegetables products features i.e. product quality, promotion, price, delivery etc.

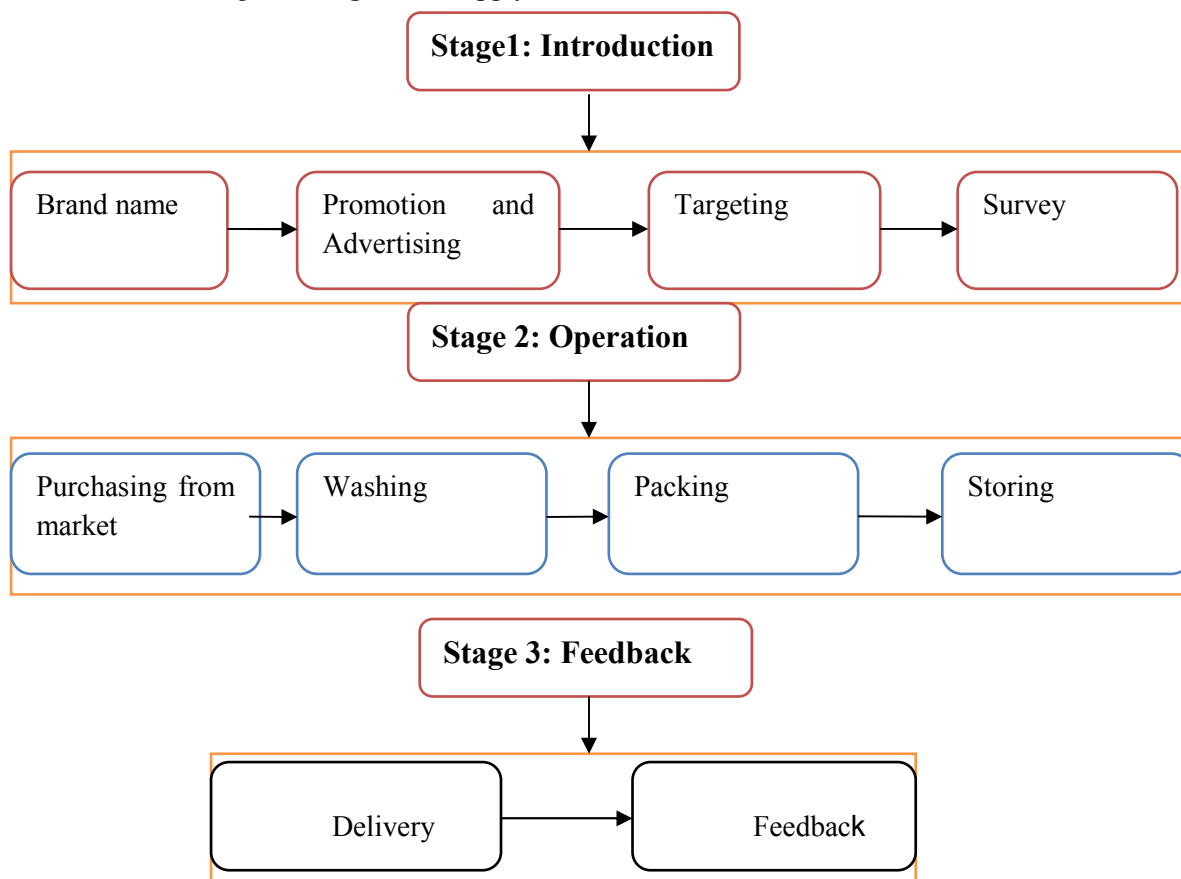
### 2.2 Methodology

To achieve the objectives and testing the hypothesis of the study correlation test has been applied. Statistical software SPSS has been applied for the estimation of the study results.

### 2.2 Supply Chart/Activity Chart

The following chart shows the chain of the vegetables supply to the customers.

Figure 1: Vegetables Supply Chain Flow to the Customers



## 3.0 Results and Discussion

The following section shows the results and discussion of the study Which are as follows.

**Table 1.1: Distribution of Respondents on the basis of Age and Gender**

Respondents Age	Male	Female	Total
15-20	8	5	13
21-25	2	20	22
26-30	9	7	16
31 and above	11	23	34
<b>Total</b>	30	55	85

Source: Field Survey, 2015-2016

The table shows the frequencies of the demographic factor. The demographic factors are age, and gender. This table shows the hundred percent response rates. There are 8 males and 5 females respondents in the age group of 15 to 20 years, Age group of 21 years to 25 years there are 2 males and 20 females respondents, in the age group of 26 years to 30 years old there are 9 males and 7 females respondents and From the age group 31 years or above there are 11 males and 23 females respondents observed.

**Table 1.2: Correlation Results**

	1	2	3	4	5	6	7	8
<b>Quality (1)</b>	1							
	.339							
<b>PACKING (2)</b>	-.199	1						
<b>PROMOTION (3)</b>	.012	.250	1					
<b>COLOR (4)</b>	.346	.123	.238	1				
<b>PRICE (5)</b>	-.100	.472	-.186	-.086	1			
<b>Delivery (6)</b>	-.118	-.074	.425	.297	-.310	1		
<b>MCOMMERCE (7)</b>	-.208	.017	-.070	-.051	.185	-.060	1	
<b>LOYALTY (8)</b>		-.035	-.153	.207	.183	.020	.246	1

This table shows the strength of association among/between variables. The correctional values standards are as follow from 0.1 - .3 weak association between variables (+,-), .31-.6 moderate association between variables, .61-.99 strong association between variables, 1 perfect association between variables, and 0 shows no association between the variable. The (+) sign shows positive association and (-) sign shows negative association exist in between variables, while Positive association is describe to be look like if one variable worth increases so particular associated variable will also increases in same direction, and Negative association is totally inverse of Positive association.

The correlation value of quality with packing is .339 representing 33% associations between the variables. There is positive moderate association. The correlation value of quality with promotion is -.199 representing -19.9% associations between the variables. The association is negative weak association. The co-relational value of quality with color is .012 representing 12.0% associations between the variables. The association is weak and positive. The co-relational value of quality with price is .346% representing 34.6% associations between the variables. The association is moderate and positive. The co-relational value of quality with home delivery is -.100 representing -10.0% associations between the variables. The association is weak and negative. the co-relational value of quality with Mobile Commerce is -.118 representing -11.8% associations between the variables, the association is weak and negative. the co-relational value of quality with customer loyalty is -.208 representing 20.8% associations between the variables. The association is weak and positive

The co-relational value of packing with promotion is .250 representing 25.0% of associations between variables. The association is positive, and weak association observed. The co-relational value of packing with color is .123 representing 12.3% associations between variables. The association is positive and weak association. The co-relational value of packing with Price is .472 represent 47.2% associations between variables; the association is positive and moderate association. The co-relational value of packing with home delivery is -.074 representing -7.4% associations between variables, the association is negative and weak association. The co-relational value of packing with Mobile Commerce is .017 representing 1.7% associations between variables, the association is positive and weak association. The co-relational value of packing with Customer Loyalty is .184 representing 18.4% associations between variables; the association is positive and weak association observed.

The co-relational value of promotion with color is .238 representing 23.8% associations between variables; the association is positive weak association. The co-relational value of promotion with price is -.186 representing -18.6 % associations between variables. The association is negative and weak association. The co-relational value of promotion with home delivery is .425 representing 42.5 % associations between variables. The association is positive moderate association. The co-relational value of promotion with Mobile Commerce is -.070 representing -7.0 % associations between variables. The association is negative and weak association.

7.0 % associations between variables. The association is negative and weak association. The co-relational value of promotion with customer brand loyalty is -.153 representing -15.3 % associations between variables, and the association is negative and weak association.

The co-relational value of color with price is -.086 representing -86.0% associations between variables, and the association is negative and weak in nature. The co-relational value of color with home delivery is .297 representing 29.7% associations between variables; the association is positive and weak observed. The co-relational value of color with Mobile Commerce is -.051 representing -5.1 % associations between variables. The association is negative and weak suggested. The co-relational value of color with customer loyalty is .207 representing 20.7% associations between variables; the association is positive and weak in nature.

The co-relational value of price with home delivery is -.310 representing -31.0% associations between variables and the association is negative and weak found. The association is positive weak association. The co-relational value of price with Mobile Commerce is 1.85 representing 18.5 % associations between variables and the association is positive and weak considered. The co-relational value of price with customer loyalty .183 representing is 18.3 % associations between variables, the association among variables are positive and weak considered.

The co-relational value of Home Delivery with Mobile Commerce is -.060 representing -60.0% associations between variables. The association is negative and weak found. The co-relational value of home delivery with customer loyalty is .020 representing 20.0 % associations between variables. The association is positive and weak observed.

The co-relational value of Mobile Commerce with customer loyalty is .246 representing 24.6% associations between variables. The association is positive and weak suggested.

#### 4.0 Tested Hypothesis

These are the following outcome of research hypotheses which were design on the basis of research objectives, some of them were accepted and some were rejected.

**Table 1.3: Hypothesis Testing**

Null Hypotheses	Conclusion/Result
Product quality affects customer loyalty in district Peshawar.	Rejected
Product packaging affects customer loyalty in district Peshawar.	Rejected
Product promotion affects customer loyalty in district Peshawar.	Rejected
Product colour affects customer loyalty in district Peshawar.	Accepted
Product price affects customer loyalty in district Peshawar.	Accepted
Product home delivery affects customer loyalty in district Peshawar.	Accepted
Product mobile commerce affects customer loyalty in district Peshawar.	Accepted

#### Conclusion

The present study examined the relationship between vegetable supply chain features and customer loyalty in district Peshawar. For this purpose primary data has been collected from 85 families of elite class living in the Posh areas namely Hayatabad, Defense and Warsak Road. Data has been collected randomly from 48 families of Hayatabad, 25 from Defense and 12 living on Warsak Road respectively.

The main conclusion of the study was that better product features including price, color, quality, packaging, and promotion, mobile commerce and home delivery significantly affecting customer loyalty in all the three areas of district Peshawar.

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