SUGGESTIONS AND IMPLICATIONS
CHAPTER 7

7. SUGGESTIONS AND IMPLICATIONS

7.1: The Suggestions

This chapter describes the implications and usefulness of the study for the retailers, service providers/marketers, advertisers, and researchers. The study has explored the impact of retail service quality and customer commitment on word of mouth communication across five cities New Delhi, Mumbai, Kolkata, Hyderabad and Indore. These cities represent North, West, East, South and Central India. Mainly the cities are metros, having cosmopolitan culture. Cities like Delhi, Mumbai and Kolkata are tier 1 cities while Indore and Hyderabad are tier 2 cities.

7.2: Limitations

The following are the limitations of the study
The study was carried out in 2010 in India. The results may vary if the study is carried out in other points in time.
There could be seasonal variations as the data was not collected keeping the beginning or end of the month in mind.
The samples were shoppers at departmental stores.
All the demographic variables were not considered. For instance education, this could yield greater insight into other possibilities.
Full range of demographic variables was not considered (education, etc). This could yield greater insight into probabilities of segmentation.

7.3: Retailers

The first result pertaining to the study was to find out the effect of retail service quality on word of mouth communication. The results implied that retailers should maintain highest levels of service quality as this will ensure good word of mouth about their services/products. In fact there is positive correlation between service quality and word of mouth. Better the service quality better the word of mouth communication. If the service quality deteriorates to average or poor, then it will not generate good word of mouth. Researchers have found that poor service quality is twice as likely to generate negative word of mouth as compared to good service quality generating positive word of mouth.

The other finding that retail service quality and customer commitment are independent from each other in terms of word of mouth implies that though both are important for generating a positive word of mouth the combined interaction is not so important. We do not buy things in isolation. We share our good or bad shopping experiences with family, friends, colleagues and neighbors. Product promotion helps in product adoption and so does word of mouth communication. Retailers could learn from this and involve the customers who came to them on recommendation to take the process of recommendation further;
retailers should encourage such customers to spread the good word further. It was found in the study that whereas, in Mumbai word of mouth was not so important despite scoring highest rank in retail service quality, a place like Indore scored least in retail service quality out of the five cities surveyed, but had first rank in word of mouth communication implications here are that a casual conversation about a service is more likely to take place in cities like Indore. Nobody is soliciting information but it takes place in the course of a normal conversation. Information seeking is more dominant in such cities or let us say tier 2 cities. Here, people are more than delighted in offering advice wholeheartedly.

Tier II and Tier III cities are of interest to retailers. The retail boom in small towns reflects India’s free market prosperity. The retailers are looking at India’s retail growth graph being led by consumers in tier I and tier II cities. Organized retailing in smaller towns and cities is estimated to grow at 50-60 percent a year. Healthy economic growth and disposable incomes have fuelled the purchasing power of Indian middle class. Retailers therefore, can use the findings of this study to enhance service quality to positively impact word of mouth. The key results of the study showed that better service quality leads to better word of mouth communication. This indicates that the perception of superior quality by better word of mouth will be satisfying to the customers, which in turn will lead to purchase and repurchase intentions. Implicit in the results was also the fact that in tier 2 cities word of mouth was more important than quality and in tier
In competitive environment the retailers can make greater efforts to manage positive word of mouth to add to profitability and achieve organizational goals. The study amply demonstrates that customer satisfaction leads to positive word of mouth which in turn leads to
customer acquisition and retention. The firms need to appreciate the role of word of mouth and its beneficial impact.

7.4: Service Providers

People generally rely more on word of mouth while making purchase decisions. They are valued more because they come from a close source and have more credibility, and it is viewed that there is no ulterior motive on the part of the communicator. Here customer satisfaction also assumes significance and greater importance for the retail marketer. A satisfied customer will more likely talk good about the product or service. A satisfied customer is more likely to turn into a committed customer. A committed customer will turn into a loyal customer who in turn will generate favorable word of mouth and repeat purchases. This in turn translates into profits for the retailer. A service marketer can manage word of mouth communications to attract potential customers, and convert them into committed customers for their own good. A lot of positive word of mouth can be created through enhancing service experience which in turn will generate “buzz”, which means that people feel good to talk about the particular service. Service providers could target specific potential customers in the process.

The results of the study showed that high customer commitment led to better word of mouth than average or low commitment group. The challenge here for service marketer is to have customers who have high commitment towards the service provider. This can happen only if
the retail service quality is excellent according to customer perception. The challenge before service marketers is having more satisfied customer rather than dissatisfied customers. The challenge is also to constantly ensure good service quality. Since word of mouth generates business so creating high levels of service quality is of utmost importance to service provider, because this is going to lead to customer satisfaction. This can be ensured through setting service standards and monitoring them. Training the staff to deliver high quality consistently and take regular feedback from the customers.

7.5: Marketers

The study found that there was no effect of income on word of mouth communication. This has implications for marketers who target affluent people for spreading word of mouth. It was found that people from all strata of society indulged in word of mouth equally. Shopping across all groups is a pleasant group activity. People are likely to talk about the bargains they found. In marketing parlance, ‘maven’ is one who understands the area extremely well and can belong to any class. They do not advertise their selection rather discuss them in their social settings. Word of mouth cuts across all income groups as people have chance to interact and with the emergence of internet they can talk, spread the word online. There are more opportunities these days for people to enjoy similar products/services/luxuries then there were there in the past when difference between haves and have-nots was huge. Today one can expect to find every type of good in the
meanest of abodes. Similarly, more and more people now frequent similar retail outlets, thus, narrowing the gap of knowledge about products/services.

Marketers could develop appropriate communication tools to make consumers more knowledgeable about specific brand or bank characteristics and try to change some of the negative associations that consumers have about the brand or the product through online WOM. It is important to say that positive WOM and e-WOM play an important role in increasing customers' purchase intentions, creating a favorable image of the company and its brand, and reducing promotional expenditures. Furthermore, it would be interesting to analyze the effects on WOM communication in other product categories such as financial services because WOM communication may have a particularly important influence on consumers' perceptions of products/services that have high credence qualities.

From a marketers perspective the importance of disseminating information about product/service through word of mouth cannot be underestimated. Consumers prefer informal, personal sources when making purchases. Consumers feel that peers and reference groups are more credible than written information. A new type of marketing ‘buzz marketing’ is a powerful technique to stimulate and manage consumer word of mouth.

7.6: Researchers
Very little research has been done on service quality and customer commitment and its impact on word of mouth communication in the retail sector and in the Indian context. The findings can provide guidance for future studies which aim to better understand the motives for giving and seeking opinions. It was difficult to find studies pertaining to India cities and there was a gap when it came to comparison with previous studies. The study can be replicated on a larger scale with larger number of cities. Besides, the current study has looked at customers of organized sector and that too in malls. The study can be done in non metros also to see whether the findings hold true in non metro cities sector also. The study has opened up new vistas of research as it has highlighted the factors affecting word of mouth communication. However, more variables impacting word of mouth may be explored.

With the increasing internet usage lot of customers use e WOM and therefore, another area of research could be to study whether similar factors affect e WOM as well.