

## **An Analysis of the Customer Experiences, Customer Involvement To Develop an Innovative Product and its impact on the Organization Performance in Apparel Industry**

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**Abstract:** The purpose of this research study is to analysis customer experience, customer involvement in developing an innovative product and its impact on performance of the organization. Researcher aims to investigate whether the apparel industry believes there is a need for great customer experience and involvement, and to find out perceptions of the professionals in the industry have towards developing an innovative product and what impact these factors can create to the performance of the organization. A questionnaire was sent to 12 apparel brands Employees covering merchandising, Product development, Designing, Research and innovation, Business development and marketing. The results of the study indicated that they believe in customer experience and involvement in an early stage of product development process. Also examined factors such as Customer experience, Customer involvement, develop an innovative product and firm's employee creativity make an impact to performance of the organization.

**Keywords:** Customer Experience, Customer Involvement, Develop an innovative product, Performance of the Organization.

### **Introduction**

Today Apparel industry has become very diversify and innovative industry in the world, apparel products being used by virtually everybody. Apparel sector regards as 'Traditional Industry' it's considered labor-intensive and provides employment to millions of people. Especially countries, such as Sri Lanka, Bangladesh, Mauritius, and Vietnam have experienced higher growth in this industry (Chakrabarty, 2014). This study is an analysis of customer experiences, customer involvement in develop an innovative product and its impact related to Performance of ABC Group. Bringing new product successfully to the market is a challenging task for all the organizations, and it is very difficult to justify why some product succeed and why most others fail. The impact of product innovation on organizations performance can be adapted towards firm's organizational structure by identifying opportunities and Threats in the market for the respective product category. By adopting innovation over time firms adjust their external and internal functions and then the organizations can operate effectively to maintain or improve their performances, also early or be the first in the market intend to give great performance in new product launch, latest innovations absorb new and vital knowledge, and accelerate firm's chances of benefit from innovation activities over a time (Roberts and Amit, 2003). Although product innovation is opening up new venue get the complete advantage, innovation is a risky and costly affair as its success is not guaranteed,

### **Objective of the study**

1. To find out factors affecting the customer experience and innovative products.
2. To identify level of customer involvement to develop an innovative product
3. To find out the relationship between customer experiences, customer involvement, development of an innovative product and impact on Organization performance.

The finding of this study will benefit mainly ABC Group and the apparel industry as a whole, especially the Sri Lankan apparel sector, where value-adding plays a major role in retaining the business while

competing with countries such as Bangladesh, Cambodia, and Vietnam. Mainly firm owners or shareholders get the opportunity of analyzing the revenue generate through new product innovation, this lead them to identify whether the correct strategies have been implemented and what directions the company management focus on. And the firm's management, especially decision makers and senior managers who are in the front and operational level of the business can set goal towards achieving financial objective, and middle managers, Product inventors, designers, product developers, development and bulk merchandisers get the benefit of enhancing the knowledge on new technologies, Further customers Suppliers who work as technology providers get the opportunity of getting involve and experience new clothing products which give a solution to their requirements and expectations.

### **Literature review**

#### **Customer Experiences**

Retain in the current economic situation and competitive retail market requires something more than the low price for innovative products to compete. Organizations should focus on customer's experience, and managing the customer's experiences not only a retailer's role but also the manufacturers must understand what it is really means to them. Customer experience should include all the stages where the customer links with the business, product and services (Grewalet al., 2009).

**Social environment:** Is a key factor for customer experience, at any given time there are many customers in a store environment continuously and each of these customers can make an impact to each other, as an example if one customer demanding attention from sales assistant in the retail environment that can make an impact to another customer who also wants the attention at the same time. And further customers very frequently visit the retail environment with their family and friends. This can make an impact on other customers on the retail floor. Researchers and market analysts shall understand interaction between customers can create an intense impact on service experience (Baron et al.,1996).

**Self-Technology:** plays an important role in the shopping experience, it is crucial to analysis the impact it can create on customer experience. Using this technology interaction in a retail environment will emerge to a new level in technology enabled shopping mode e.g.: retailing online and self-service checkout counters. Also, these respondents are believing in technology as (Parasuraman., 2000). suggested a "pyramid model" in services marketing that expands into two-dimensional triangle in the traditional "triangle model", this representing company to employee, company to customer, and customer interactions with employee into a three-dimensional effect pyramid with "technology" in this method reflect that the interactions among companies, customers and employees greatly connect with some form of technology.

**Store Brand:** Next important thing is to understand what method the customer experience can be created through Branding, what is important here is consider the link between branding with customer experience. Customers visit a retail market with the idea of two main brands in mind: the retail brand (e.g., Macy's, Victoria's Secret, Best Buy, Wal-Mart,) and the service or manufacturer brand (e.g. Tide, Ralph Lauren, Dell, private label brand). Therefore, it is vital to understand the interaction which brands create with the respective customer experience (Verhoef et al., 2009).

**Customer experience dynamics:** And the other very important area is to understand customer experience dynamics because customer experience is not only limited interaction of relevant product or service itself. Further, it is a series of experiences that develop over a time period, which includes search, purchase, consumption and after-sales service experience (Neslin et al. 2006). Customer current or previous experience can make a big impact on the performance of any organization. Mittal et al., (2005) reveal that most efficient company with a satisfied customers base win over the competition

**Customer experience management strategies:** are focuses on the ways which customer's experience enhance the value to the consumer and the retailer. In Customer experience management, it focuses on current experience of the customer and that is why it is separated from the customer relationship management, further it is not focusing on customer history with the firm. In the literature relating to management, Pine and Gilmore (1999) recognized, organizations which focus mainly on customer experience, can apply strategies based on service level, and product prices are no longer sufficient in the current competitive market. However, available evidence which directly supporting this theory is limited. Most of the marketing strategy related research emphasis on organization with a revenue and giving priority for customer satisfaction with customer loyalty, always get the optimum performance (Moorman and Dickson 2002).

### **Customer Involvement**

The success of any organization depends on its capacity to develop and launch new products at right time. New markets and growth opportunities can be created only through innovation and new products launch, it is evidence that increasing competition in apparel sector forced to put more weight on product development process where it should secure and accurate. Organizations realize that satisfying the customer is the only way to be successful, therefore to satisfy the customers, any organization requires integration competence, technical competence and market knowledge competence (Shepherd and Ahmed, 2000).

**Customer as co Designers:** Customer's get involve even from the initial idea generation stage, conceptualization, design, testing, product development/innovation process and they also help to co-creates more value (Nambisan, 2002). Which means, customers collaboration with a firm can have two types of approach: first, a customer can engage in the activities of co-producing product or services, and by giving support to the existing product developments while seeking a particular outcome in their products and services (Sawhner et al, 2003). Or, product or services can be customized as per customer's personal expectations while helping the co -develop the process in product development (Foray, 2004). Secondly, customers" get involve in the innovation stage of the product by sharing their views, ideas and experiences this will help to co-development the products and services for the next generation in the market (Foray, 2004).

**Customer as Innovators:** In any organizations, product development departments face the challenge of keep up the momentum with customer's changing desires on an individual level. It is well known that R&D is a costly and complicated process, but it is easier to provide the customer with a toolkit (e.g. modeling, prototyping) to create, customer's own products and services by designing and developing as per their own inspiration. This strategy helps an organization to shorten the feedback cycles between consumption and production (Thomke and Von Hippel, 2002).

**Customers as Marketers/Branders:** For generations, word-of-mouth has become a key feature in marketing, this important technique is vital for consumer decision-making and consumer accessible technology (e.g. Facebook, blogging, instergarm, podcasting,) these technologies based media are currently more convincing than the word-of-mouth communication method.

Also, it is approving fact that majority of the people spend more time in social media networks (Lang, 2010). Facebook has become the hallmark in social media now, it has over 1.7 Billion active users and Instagram over 500million active users as at 2016. What is unique in social media is that it has revolutionized the marketing methods such as advertising and promotion (Hanna and Crittenden, 2011).

**Customers as Socially responsible actors:** "Social responsibility" is one word that has earned a strong attention over the last decade. There is no one universally recognized definition for *Social responsibility*, but it is a concept that can be understood easily and encourages all the level of actors in a society (e.g. organizations, citizens, governments). Further, these actors taking responsibility of local communities and its society on a large scale for the impact of their activities in the relevant environment where it's cover the all aspects of their day to day life. Such form of lifestyle is called "conscious consumers" who is willing to live a healthy lifestyle with a concern in the sustainable development process. The nature such as being sustainable become an important feature in consumers' buying activities and incorporate socially responsible activities exercised by organizations (Aburdene, 2005).

**Value co-creations:** Customers play different roles as co-creators, value co-creations is a different principle that firms are currently focusing. The nature of value co-created is one of the key aspects of this concept, this value can be transferred to the customer in different forms, in such as tangible product content a set of fixed features, or as intangible modes such as knowledge and experiences. In this, both instances, the most important thing is to focus of value co-creation at the personalization level of a good or a service while maintaining the quality and overall interactions with the customer (Lawer, 2006).

### **Develop an innovative Product**

The speed of technology developments, together with the customer's ability to progress and newness, is minimizing the life cycles of a well-established product and then replacing a brand new premium product to the market. To retain in any business product innovation is a crucial subject, a clear knowledge of understanding innovation and its nature of advancement is very important the focus of product innovation is to a higher degree than it has ever been (Alpert, 1994).

**Market Potential:** Market is an important category for an introduction of new product and Researched and developments projects. It is universally understood concept that strong marketplace is vital for the innovative product to be in the stage of under review process or become an outcome of an R&D project. In the history of the literature revealed, Cooper (1979) given higher priority for “strength of market” by analyzing size of the potential market, future expected share in the market, what level of profit the new product can generate.

**Technology availability:** The next biggest factor for product innovations is technology. Few of the studies emphasized that new product innovation has an enormous potential to succeed in a market place (Marquis,1969; Rothwell et al., 1974). However, customers may have to go through difficulties in the actual differentiation of performance among alternative products with sophisticated technology based areas, and it takes a long period of time to realize the differences in the market (Friar, 1995).

**Nature of the Innovation:** Stage of “newness” in a new product innovation process can show variety in large scale. In new product innovation, there are three product classifications can be found new generation, incremental and radically new, mainly incremental and radical innovation considered in research and development or new product development projects (Wheelwright and Clark, 1992). Further studies found that differences in factors depending on the nature of innovation pioneer (radical) or incremental. The level of innovation ranges widely in new product development or Research and development projects.

**Environment:** if the environment is not supportive product cannot succeed. There are a number of different aspects of the environment, namely political and social factors, which means interest public interest to the product, and social acceptability of the product(Carter,1982). In the Twenty-first century, we have seen an increase of debate and focus on understanding the business activities in more environmental conscious responsive and sustainable manner (Banerjee et al.,2003).

**Organization:** It does not matter what market potential, technology available and environmental factors may be if the company is not geared to bringing the new product geared to the market, then the product/service will fail. Some of the literature related the issues of organization, authors have emphasized and suggested that the firm should receive a strong assist from the marketing function for the new product or innovation (Maidique and Zirger, 1981; Rothwell et al., 1974).

### **Firm’s employee creativity**

Creativity is a topic discussed in the year and inspired research, individuals, teams an organization have more tendency to generate new and useful ideas, process, products or services (Amabile,1996). Also, there are literature relating to the relationship between firm’s employees, team and organizational aspects of creativity (Woodman et al.,1993). We can consider five main factors affecting the Employee’s creativity in the firm such as Firm’s Climate, Leadership style, Firm’s culture, Resources and skills, Structure and Systems.

**Firm’s Climate:** In Firm, atmosphere or mood as a larger scale considered as firm’s climate (Morgan,1991). Creativity in best level when there is an open climate and several factors affect to employee’s creativity, example, a large number of Stimuli, Interaction with small barriers, Possibility of building an earlier idea and freedom to experiment (Feurer et al., 1996).

**Leadership Style:** There is a consensus that a democratic participative leadership style is conducive to creativity (Nystrom, 1979) also some literature suggests that managing the newness effectively is not enough and there needs to be actively involved in the practices and procedures (Bowven and Fry, 1988).Leaders must define and communicate a vision conducive to creativity through any form of an available communication channel and continuously encourage employees to think out of their comfort zone. And the vision must communicate to each level of the management from top level to lowest possible management (Cook, 1998).

**Firm’s Culture;** This very important in managing the organizational creativity, it is a challenge to create a nourishes innovative culture which addressing the problems and giving solutions to overall firm’s creativity. Further organizational culture can be defined as the deepest level of basic values, beliefs and assumptions which are shared by employees and especially action by leaders or managers in the organization (Morgan,1991; Cook,1998). To encourage creativity, firm’s must develop an innovative and supportive culture in other words culture with divergent and learning, empowering and caring. ownership and control over their own work(Amabile,1996).

**Resources and Skills;** It is a vital fact that organizational creativity requires human resources department to make strategic choices. Especially creative firms who are focused on be innovative should strive towards attracting, develop and retain of creative talents if they want to be competitive (Cook,1998). Also, organizations need to attract and develop their intellectual capital by hiring people who are intelligent, knowledgeable,

creative in their thinking process and willing to determine to focus on the work. Which means the creative organization should always employ people with broader interest, who are very eager to take challenges and even willing to take some risk (Brand 1998).

**Structure and Systems;** The creativity is purely enhanced when the whole organization focuses on one direction and be supportive towards it. Therefore, leaders must make the correct structure of placing the systems and procedures, which emphasize on creative projects that given top priority within the organization (Cook, 1998). Also, it is evident that employees thinking pattern is influenced by the rewarding structure of their working environment. In other words, employees prefer the style that they get rewarded (Sternberg et al., 1997).

### **Organization Performance**

Innovative products opening opportunities for the organization in terms of gain growth and expansions into new market segments, also allows to get a competitive advantage. A company can use product innovation with technology, as a result of this a firm can build a barrier to entry, switching costs, and completely change the style of competition. Today organization Performance is related with the Information technology used by the organization (Gunawardana K D, 2005) This allows the organization to seized the advantage over other firms (McFarlane, 1984). In this study author discuss the organization performance as the dependent variable and further elaborate the firm's performance in Profitability, Sales volume, Market share, Customer Satisfaction and Customer Loyalty.

**Profitability:** Many organizations strive for Innovations, but it is limited their mission statement, example, where well-articulated mission statement which is sound good on the financial statement but does very little to motivate or inspire a change the organization. Any firm that adds innovation as a tool for their product development process gain the benefits result in real product innovation and firm in a position of potential profitability (Pech, 2003). An organization who wish to invest in new technology on product innovation and if they have the opportunity of gain profit can lead to growing market share, increase production efficiency, a growth of productivity, and also increased revenue (Shefer and Frenkel, 2005).

**Sales Volume:** when reviewing the literature, it's a fact that innovation capabilities can transform or create existing product to a new level which can increase sales volume (Moore, 1991) and excellent customer relationship can directly make an impact on sales levels by meeting the customer requirements and expectations (Day, 1994). An organization can use different strategies to increase sales, the outcome may differ from the one which is effective more in terms of design and one with the less effective. For instance, an organization with higher effectivity may have to face high demand and can set premium level price.

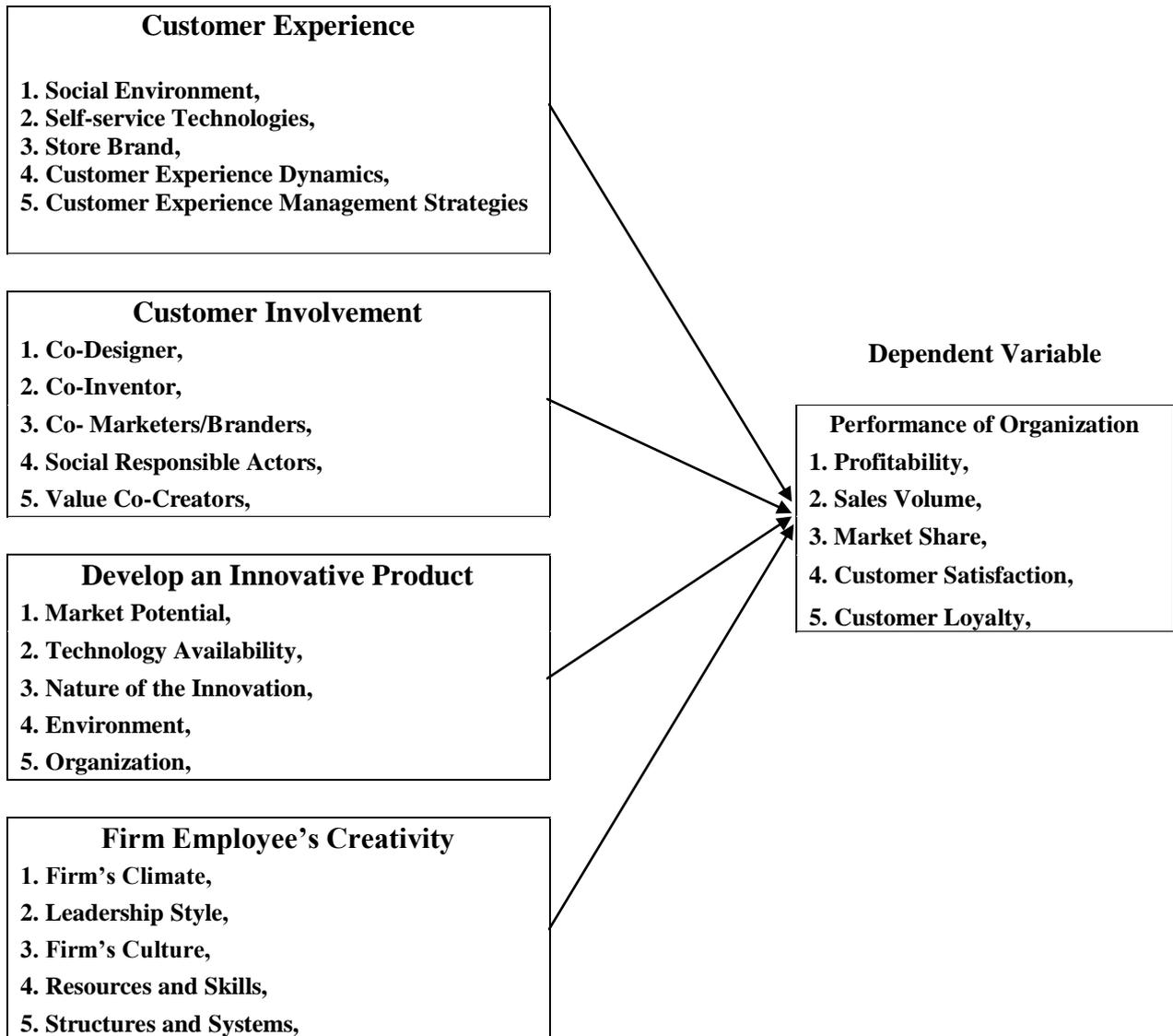
**Market Share:** Prior studies have captured organizational performance based on both market and financial criteria, such as return on investment (ROI), the profit margin on sales, market share, the growth of market share, and overall competitive position (Vickery et al., 1999; Stock et al., 2000). Also, an organization can offer faster deliveries to market with fast face product innovation and be the first in the market, can enjoy the higher degree of sales volume and market share (Li et al., 2006).

**Customer Satisfaction:** Organization which focuses on customer satisfaction has a higher impact on the organization performance as mentioned by Mittal et al. (2005) firms which are efficient and with strongly satisfied customers can outperform other firms. Most of the marketing activities are based on creating well-satisfied customers. Which means Strong and close customer linking capabilities can enhance customer satisfaction, example the capability to identify customer expectations, the capability to create, maintain customer relationships, together with innovation capabilities can create and launch new products and services, all these are lead to higher levels of customer satisfaction (Dick and Bassu 1994).

**Customer Loyalty:** It is evident that measuring organization performance not only limited to traditional financial measures, customer loyalty is one of the criteria focus on most of the organizations (Kaplan and Norton, 2001). Also, some of the literature suggests that organizations should explore new product innovations to perform in the highly competitive environment, hence this will allow organizations to successfully operate in the relevant industry by improving current products and at the same time retaining the existing market through customer loyalty (Jansen et al., 2006).

**Research Methodology - Conceptual Framework**

**Independent Variables**



**List of Hypothesis**

Researcher has used Null and Alternative hypotheses to prove the relationship between the dependent and independent variables mentioned in the conceptual framework.

**Alternative Hypotheses:** This shows that there exists a relationship between two variables and this is the opposite of the null hypotheses. This is defined as **H<sub>na</sub>**.

Following Hypotheses are developed to validate the relationship between independent variables Customer experience, Customer involvement, Develop an innovative Product, Firm's Employees Creativity and Dependent Variable Organization Performance.

**Hypothesis 1**

**H<sub>1a</sub>:** There is a relationship between 'Customer Experience' and Performance of the Organization.

**Hypothesis 2**

**H<sub>2a</sub>:** There is a relationship between 'Customer Involvement' and Performance of the Organization.

**Hypothesis 3**

**H<sub>3a</sub>:** There is a relationship between ‘Develop an Innovative Product’ and Performance of the Organization.

**Hypothesis 4**

**H<sub>4a</sub>:** There is a relationship between ‘Firm’s Employees Creativity’ and Performance of the Organization.

**Population**

This study is based on the Sri Lankan apparel industry, there are 300 apparel firms who cater to the export-oriented market (Goger, 2013). As per Sri Lanka apparel exporters association 2016 statistics, there are 67 major customer’s brands produced their clothing from Sri Lanka. These brands are mainly from USA and Europe, and in Europe, the UK being the most important export destination. Garment categories namely are Activewear, Casual Wear, Intimate Wear, Fashion Wear, Swim Wear, Uniform/Workwear, Children's Wear and Sports Wear.

**Sample**

The sample was taken from ABC Group customer profile the list of 12 customers out of 26 export-oriented customers. This sample is considered based on satisfied sample method.

Adidas	Eddie Bauer	Patagonia
Calvin Klein	H & M	Sanmar
Columbia Sportswear Co.	Marks & Spencer	Nike
Levi Strauss & Co	F&F	George Clothing

**Collection of Data**

The questionnaire was made and emailed to 12 customers(Brands) the sample was consisting of Buyers, Designers, Merchandisers, Product developers, sourcing and innovation R&D Individuals in the respective customer operating buying offices based in Sri Lanka, USA, and UK. 100 Questionnaires were generated among the target sample group. As a pilot run, 20 questions were given to the relevant individual to test question, all questions were based on Likert scale 1 to 5 (Strongly agreed =1, Agree =2, Neutral=3, disagree = 4, Strongly Disagree = 5).

**Statistical methods**

To meet the objective this study author has proposed correlation and Regression Statistical Method SPSS IBM Version 20 to analysis the independent variable (customer experience, customer involvement, develop an innovative product and Firm’s employee creativity) with the dependable variable (performance of the organization). Further, four hypotheses with null and alternative will be used to do the critical analysis to find out the relationship between customer experience, customer involvement, develop an innovative product and firm’s employee creativity with the performance of the organization to arrive at a conclusion at the end of this study.

**Data Analysis  
Customer experience**

Table: 4.3 Respondents perception for Customer experience

Response Type	Frequency	Percent	Cumulative Percent
Strongly Disagree	0	0.00%	0.00%
Disagree	0	0.00%	0.00%
Neutral	17	29.82%	29.8%
Agree	34	59.65%	89.5%
Strongly Agree	6	10.53%	100%

Figure:4.4 respondents for Customer experience

When analyzing the response received for the questions with regards to customer experience it is evident that 60% agree, the perception of 30% is Neutral, 10% strongly agree and no response for disagree and strongly disagree. Which means everyone has positive perception towards customer experience. Also as per Table:4.1 Statistics indicated Mean stand at 4.21 and the standard deviation is 0.467.

### Customer Involvement

Table: 4.4 Respondents perception for Customer Involvement

Response Type	Frequency	Percent	Cumulative Percent
Strongly Disagree	0	0.00%	0.00%
Disagree	3	5.30%	5.30%
Neutral	20	35.10%	40.4%
Agree	31	54.40%	94.8%
Strongly Agree	3	5.30%	100%

Perception of the Respondents for the customer involvement indicate in Table:4.3, this indicate there is a higher response of 54% for Agree. 35% of respondents remain neutral and 5.3% for strongly agree, 5.3% for disagree and none for strongly disagree. Also as per Table:4.1 Statistics shows that Mean stand at 3.96 and standard deviation is 0.550.

### Develop an Innovative Product

Table: 4.5 Respondents perception for Develop an Innovative Product

Response Type	Frequency	Percent	Cumulative Percent
Strongly Disagree	0	0.00%	0.00%
Disagree	2	3.50%	3.50%
Neutral	27	47.40%	50.9%
Agree	24	42.10%	93.0%
Strongly Agree	4	7.00%	100%

As per Table:4.4 perceptions, develop an innovative product has a higher response of Neutral which is 47%, also other statistics indicate 42% for agree, 7% for strongly agree, 3.5% for Disagree and no response received for Strongly disagree. And statistics of Table:4.1 shows that Mean stand at 4.02 and the standard deviation is 0.523.

### Firm's Employee Creativity

Table: 4.6 Respondents perception for Firm's Employee Creativity

Response Type	Frequency	Percent	Cumulative Percent
Strongly Disagree	0	0.00%	0.00%
Disagree	2	3.50%	3.50%
Neutral	15	26.30%	29.8%
Agree	34	59.60%	89.4%
Strongly Agree	6	10.50%	100%

As per Table: 4.5 firm's Employee creativity has received a higher response of nearly 60% as agree and 26% stand as neutral. Also, 10.5% strongly agree, 3.5% states as disagree and there is no response receive for strongly disagree. And statistics of Table:4.1 shows that Mean stand at 4.18 and standard deviation is 0.547.

**Performance of Organization**

Table: 4.7 Respondents perception for Performance of Organization

Response Type	Frequency	Percent	Cumulative Percent
Strongly Disagree	0	0.00%	0.00%
Disagree	0	0.00%	0.00%
Neutral	10	17.60%	17.6%
Agree	41	71.90%	89.5%
Strongly Agree	6	10.50%	100%

The performance of the organization is the dependent variable in this research study, therefore it is very important to analysis the respondent’s average perception. the highest percentage of 71.90% response received for Agree and 17.6% indicated for Neural, 10.5% states as Strongly agree. When analyzing the perception of the respondent it is understood that all the Employees positive towards the Performance of the organization as there is no response received for disagree and strongly disagree. And statistics of Table:4.1 indicate that Mean for the performance of organization stand at 4.27 and the standard deviation is 0.477.

**Reliability Statistics Test**

The Cronbach alpha test was done to assess the level of reliability of the data provided by the respondents to the questionnaire. Further, the author of the study has used full model, dependent variable model and independent variable model to test the reliability of the data captured.

**Reliability statistics for Full model**

Cronbach's Alpha	No of Items
.871	25

The result obtained for Cronbach alpha value is higher than 0.70 Because of that test data is validated and results having reliability (Zhu et al., 2005). Comparing the “Cronbach's Alpha if Item deleted” column give all items in the range of 0.859 and 0.873. Very close values to the general Cronbach’s alpha value (.871). All variables are a varied narrow range, reliable manner.

**Reliability Statistics for Dependent variable**

Cronbach's Alpha	No of Items
.829	5

The result obtained for the Cronbach alpha value is higher than 0.70. Because of that test data is validated and results having reliability (Zhu et al., 2005). Comparing the “Cronbach's Alpha if Item deleted” column give all items in the range of 0.723 and 0.838. Very close values to the general Cronbach’s alpha value. All variables are a varied narrow range, reliable manner.

**Reliability Statistics for Independent variables**

Cronbach's Alpha	No of Items
.830	20

The result obtained for the Cronbach alpha value is higher than 0.70. Because of that test data is validated and results having reliability (Zhu et al., 2005).

Comparing the “Cronbach's Alpha if Item deleted” column give all items in the range of 0.809 and 0.831. Very close values to the general Cronbach’s alpha value. All variables are a varied narrow range, reliable manner.

**Correlation Analysis**

Table:4.8 Correlation analysis

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

\* Correlation is significant at the 0.05 level (2-tailed).

The Performance of Organization (DV) is having a significant correlation at 95% confidence level among Customer Involvement (IV2), Develop an Innovative product(IV3) and Employee Creativity (IV4). Also, Performance of Organization (DV) is having a significant correlation at 99% confidence level with Customer Experience (IV1).

According to that Performance of Organization (DV) is depend on all independent variables and the corresponding hypothesis is proven. Considering the Pearson correlation coefficient, highest correlation is observed between Performance of Organization (DV) and Customer Experience (IV1). Other independent variables are having less correlation with Performance of Organization (DV).

The Customer Experience (IV1) is having a slight significant correlation among Customer Involvement (IV2) and Develop an Innovative product (IV3). Also, develop an Innovative product (IV3) and Employee Creativity (IV4) are having a significant correlation.

**Fitting of the Regression Model**

This approach is to develop a relationship between the independent variables with the dependent variable. Linear regression analysis was done by using SPSS IBM Version 20 package and following results were obtained.

- a. All Independent variables entered (Customer Experience, Customer Involvement, Develop an Innovative product, Employee Creativity).
- b. Dependent Variable: Performance of Organization

Table:4.9 Regression Analysis Model Summary(b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.865(a)	.748	.728	.24891	1.670

- a. Predictors: (Constant), Customer Experience, Customer Involvement, Develop an Innovative product, Employee Creativity.
- b. Dependent Variable: Performance of Organization

According to the R value, 0.865 gives the model fits in a good manner and according to the R Square value of the established model shows 74.8% of data fit the model. The Durbin-Watson value is 1.670 and it shows excellent fitness on the model without having an auto correlation.

Table:4.10 ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.538	4	2.384	38.487	.000(a)
	Residual	3.222	52	.062		
	Total	12.759	56			

- a. Predictors: (Constant), Customer Experience, Customer Involvement, Develop an Innovative product, Employee Creativity.
- b. Dependent Variable: Performance of Organization.

According to Anova analysis gives F value for the model is 38.487 and resulted P- value is close to zero. That gives an inference on the test is highly significant and fitted model is valid

Table:4.11 Regression Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.061	.397		.155	.878
	Customer experience (IV1)	.890	.082	.870	10.896	.000
	Customer involvement (IV2)	.002	.065	.003	.038	.970
	Develop an innovative Product (IV3)	-.165	.081	-.181	-2.045	.046
	Employee creativity (IV4)	.267	.073	.306	3.647	.001

a Dependent Variable: Performance of Organization

According to the results obtained from the Coefficients analysis, Customer experience (IV1) is having a highest significant contribution to the model (0.890) and Develop an innovative Product (IV3) is having a significant inverse relationship (-0.165) to the model (negative effect). Employee creativity (IV4) is having a significant contribution to the model (0.267) but its impact is comparably lesser than Customer experience (IV1). From the fitted model, Customer involvement (IV2) is not significant.

Hence, model can be expressed as P value 0.05 (95% confidence level) follows

$$DV = 0.890 \text{ "IV1"} - 0.165 \text{ "IV3"} + 0.267 \text{ "IV4"} + 0.061$$

### Inference Testing (Hypothesis Testing)

To test the hypothesis, the researcher has used correlation analysis technique to identify the significant of each independent variable against the dependent variable. In here the performance of the organization is determined by the other four independent variables, therefore, it is very important to identify the most significant factor (Variable).

#### Hypothesis 1

**H<sub>1a</sub>:** There is a relationship between 'Customer Experience and Performance of the Organization. As per Tabel:4.8 it is significant that there is a 99% correlation between the two variables can be identified. Therefore, it is proven that this relationship is remarkably affecting to the organization performance. And also, customer experience questions were focussed on the social belief of the customer who make a purchasing decision by interacting each other on the internet applications such as posting customer reviews on the company website, social media such as Facebook, twitter, chat rooms or even blogs can be identified as high influential medias. And these have replaced the traditional word of mouth communication. Further, these have formed virtual communities among customers (Hagel et al.,1998).

#### Hypothesis 2

**H<sub>2a</sub>:** There is a relationship between 'Customer Involvement' and Performance of the Organization. As per Tabel:4.8 the correlation for alternative hypothesis is significant at the level of 0.05 which means there is an impact on the performance of the organization, in other words, the respondents from each department response positively towards the importance of the customer involvement. Also, correlation analysis stated that there is a 95% confidence level for organization performance, which is an evident sign that customer involvement can focus from the design stage to finish product stage. Also same time, ideas and experiences can be freely exchanged, in any stage of collaboration, the collaborators (customer) can ask the questions: "What's there in it for me?", therefore companies must reward or pay collaborators that successfully assist to co-create value with the company to avoid dissatisfied or worse customers and public battles (Von Krogh, 2006).

**Hypothesis 3**

**H<sub>3a</sub>:** There is a relationship between ‘Develop an Innovative Product’ and Performance of the Organization. According to Tabel:4.8 there is significant correlation can be identified at the level of 0.05 and this explained that develop innovative product have a correlation of 95% to the dependent variable. However, the test result for Regression Coefficients indicate a -.165, this might have resulted due to the nature of respondents as per Table: 4.1 the demographic distribution of the respondent from the department of Research and innovation is only 19% and in other words only 11 respondents out of total 57 who answered to the questionnaire. Further, the researcher of this study emphasizes that develop an innovative product have a very significant role to an organization when searching the history of literature. Relating to the questions raised to the target respondents such as market potential, Technology availability, Nature of the innovation, Environment, and Organization.

**Hypothesis 4**

**H<sub>4a</sub>:** There is a relationship between ‘Firm’s Employees Creativity’ and Performance of the Organization. According to the Tabel:4.8 indications it is significant that there is a positive correlation of 95% to the performance of the organization and which means that there is a significant level of 0.05. The questionnaire on Firm’s Employees Creativity’ was focused on five main criteria such as firm’s climate, leadership style, firm’s culture, Resources and skills, structure and systems and these questions have a direct impact on employees who are the respondents in this study.

**Model Development**

**Customer Experience with Performance of Organization Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.721	.331		2.179	.034
1 av_experience	.843	.078	.824	10.785	.000

Y = β<sub>0</sub> + β<sub>1</sub>X<sub>1</sub>,  
Y = - 0.721 + 0.843X<sub>1</sub>  
Y – Performance of the Organization  
X<sub>1</sub> – Customer Experience

a. Dependent Variable: Per\_Organization

**Customer Involvement with Performance of Organization Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.219	.446		7.212	.000
1 Cu_involvement	.265	.111	.305	2.376	.021

Y = β<sub>0</sub> + β<sub>1</sub>X<sub>1</sub>,  
Y = 3.219 + 0.265X<sub>1</sub>  
Y – Performance of the Organization  
X<sub>1</sub> – Customer Involvement

a. Dependent Variable: Per\_Organization

**Develop an Innovative Product with Performance of Organization Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.118	.473		6.585	.000
1 Dev_innovative	.287	.117	.314	2.455	.017

a. Dependent Variable: Per\_Organization

$$Y = \beta_0 + \beta_1 X_1,$$

$$Y = 3.118 + 0.287X_1$$

Y – Performance of the Organization

X<sub>1</sub> – Develop an Innovative Product

**Firm’s Employee Creativity with Performance of Organization  
Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.233	.476		6.793	.000
Em_creativity	.248	.113	.284	2.196	.032

Y =  $\beta_0 + \beta_1 X_1$ ,  
Y = 3.233 + 0.248X<sub>1</sub>  
Y – Performance of the Organization  
X<sub>1</sub> – Firm’s Employee Creativity

a. Dependent Variable: Per\_Organization

**Discussions**

The author of this research study focused on finding how customer experience, Customer involvement, develop an innovative product and Firm’s employee creativity impact on the performance of the organization in the apparel industry. Findings for each independent variable with the impact to the performance of the organization and further discuss on how the main objective of the study can be achieved. The questionnaire was created to analysis each independent variable and the dependent variable, questionnaire target at customers in Sri Lankan apparel industry. Key findings derived from employees of each of brand it is noticed that the majority of the respondents are male and product development department has the most number of respondents and a higher percentage of respondents are from the age category of 20-30years. Even though apparel industry is dominated by female gender this study focuses mainly on five departments such as Merchandising, Product development, Designing, Research and innovations, Business development and marketing, statistics indicated lesser no of female respondents.

**Relativity of findings with Literature**

**Customer experience:** One of the main objective of this study is to find out what inputs customers can provide to improve or develop an innovative product, through the findings of respondents to the questionnaire it is evident and proven that there is having significant correlation of 99% confidence level between performance of organization and Customer Experience, and other means Correlation is significant at the 0.01 level. Further null hypothesis rejected and alternative Hypothesis accepted, In the current apparel industry customer share their experience and feedback through wearer trials this information sharing method benefit to the brand and manufacture to invent product as per customer’s requirements (Guan et al., 2010). Organizations must approach customers carefully as customers are not business entities, a customer in a community focus only on the products or services that they can experience (Bagozzi et al.,2007).

**Customer Involvement:** In inventing of a new product or improving an existing product with a solution to a customer problem require customer involvement which is a well-known fact in the apparel industry today (Shaw and Ivens, 2005). In this research study it’s proven that there is a relationship between customer involvement and performance of the organization, therefore the null hypothesis developed was rejected and alternative Hypothesis accepted correlation for alternative hypothesis is significant at the level of 0.05 which means there is an impact on the performance of organization And another objective of this study is to identify the level of customer involvement in developing an innovative product: this has been proven by the respondents who answered the questionnaire relating to customer involvement questions. in other words, the respondents from each department response positively towards the importance of the customer involvement. Also, correlation analysis stated that there is a 95% confidence level.

**Develop an Innovative Product:** To be innovative any organization must focus and understand market potential, Technology availability, Environment factors and Organization. This research identified through respondents that there is a relationship between developing an innovative product with the performance of the

organization. Set null hypothesis rejected and Alternative Hypothesis accepted. There is significant correlation can be identified at the level of 0.05 and this explained that develop innovative product have a correlation of 95% to the dependent variable. However, there is Regression Coefficients indicate a -.165 due to the nature of the respondent's perception of the reality of the industry companies focuses on the forecasted trends for each season well ahead in advance to minimize risk and understand the customer. Therefore, an innovative product should meet customer needs/wants to this, there should be a good understanding of the market (Gaynor, 1990).

**Firm's Employees Creativity:** Employee's creativity is an asset to the organization especially in the apparel sector now, most of the clothing brands and even manufacturers focus on Design and innovation to get the competitor advantage. As per these study findings, it is vital that factors such as firm's climate, leadership style, firm's culture, resources and skills, structures and systems are linked together to make an impact on the performance of the organization. This study reveals that there is a significant relationship between firm's employee creativity and performance of the organization, further null hypothesis rejected and alternative Hypothesis accepted. According to the Tabel:02 indications it is significant that there is a positive correlation of 95% to the performance of the organization and which means that there is a significant level of 0.05.

Today apparel industry is very competitive and it is the top priority for most the organizations to give the correct leadership to its employees to be innovative and creative. Also, firm's Psychological climate refers to a set of beliefs that reflect how working environments, firm's attributes, are appraised and represented in terms of the individuals in an organization (James et al., 1988).

**The Performance of the Organization:** In this Research study performance of the organization is the dependent variable, the researcher has used Likert scale questionnaire to focuses on five key factors such as Profitability, sales volume, market share, customer satisfaction and customer loyalty. Statistical reliability test carried out using SPSS softwear received a value of 0.829 for Cronbach's alpha, which proved that the respondent's perception feedbacks are reliable. Further reliability test for the whole model received Cronbach's alpha value of 0.871, the whole model inclusive of four independent variables such as Customer experience, customer Involvement, Develop an innovative product and Firm's employee creativity. The Correlation for each independent variable has been tested. And all the null hypothesis has been rejected for each independent variable against the dependent variable, in other means alternative hypothesis has been accepted.

Customer experience with the performance of organization Correlation is significant at the 0.01 level (2-tailed), which means is the impact that can create to the dependent variable is significant. Today in the very competitive business environment it is not easy for new companies to enter the market especially in the apparel industry, therefore new companies must master the art of understanding the customer through interaction and keep the momentum of engaging with the complete customer experience from purchase to after sale service. But it's a challenge for many companies today and fails to interact with the complete customer experience on the way to purchase and after (Rawson et al., 2013).

### **Conclusion**

An Analysis of the Customer Experiences, Customer Involvement to develop an innovative Product and its impact on the organization performance in Apparel Industry is not simply an idea, in the recent past, there have been many fundamental changes in the business environment that lead to giving more priority on this subject as an emerging strategy. In the fast growing and competitive apparel industry the changes stimulated by the technology, these technological advancements allow customers to fulfill their expectations more than ever before as now there are more product or services than any given time in the past. Yet customer satisfaction in the downward slide. These types of research study can reverse that slide by using research findings as a business tool to reach out to the customer, customer gets involved, produce an innovative product with a solution to a demanding issue face by the customer. And companies can develop product innovation strategies to approach customers in a sustainable way where both companies and customers rewarding each other.

The researcher of this study believes, it is more important for companies to keep the customer retain for the next few years other than making a sale for short time. One of the main challenge and the question face by companies today is how to make the innovative product affordable for customers. To tackle this issue, apparel industry experts needs to think out of the box and find ways to reengineered products or add value to an existing product using the available technology. At the same time educating the customer through engaging them and use firm's employee creativity to make a positive impact on the performance of the organization. Hope this research study benefit for those who believe product innovation as a key strategy as its provide a broad base overview of

domains such as Customer experience, customer involvement, develop an innovative product and Firm's employee creativity.

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