

REDEFINING RETAILERS FLEXIBLE SATISFACTION INDEX: A CASE OF NESTLE INDIA LTD

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Abstract: *Globalisation and maximum profit fetching attitude, drive many companies to nourish their retailers /distributors. Retailers/Distributors satisfaction is the buzzword of late 1990s, keeping in mind the importance of service as a major marketing tool, the decisions resulting retailers/distributors enjoying a healthy share in any company's strategic decisions. Such decisions retrieve further importance because of non-predictability and uncertainty in working environment. In this paper we try to propose a model based on American Customer Satisfaction Index, ACSI, to evaluate the satisfaction level of Retailers/Distributors. Data has been collected from 3 Distributors and 18 Retailers working with Nestle India Limited, which will definitely highlight certain areas for managers to work upon.*

Keywords: ACSI, Factor analysis

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1. Introduction

Realising the importance of customer satisfaction, organisations are making efforts to know the reasons as to why a customer does not stay with the organisation and how to keep their customers loyal, even a satisfied customer looks for better satisfaction elsewhere. Reichheld (1996) pointed out that some customers expect better satisfaction elsewhere.

The empirical results of Anderson (1996), Anderson et al. (1994 and 2004) and Bolton (1998) show a strong relationship between customer satisfaction and economic performance. Other studies by Fornell (2001), Ittner and Larcker (1996), Rust et al. (2004) and Ali (2008a,b) also force customer satisfaction, but not much is known about how the companies could be benefited by measuring retailers' satisfaction and virtually there are fewer efforts to keep the retailers satisfied. From retailers' perspective, customer service may have become the only way to differentiate them from competitors because the products that they offer often differ insignificantly from one store to another with varied service. It is proposed that retailers could enhance customers' repeat purchase behaviour if they could successfully increase customer satisfaction through improved service quality.

Satisfaction is one of the most important concepts in marketing, and has attracted a great deal of research interest in the past few decades. Existing customer satisfaction literatures (Anderson and Sullivan 1993; Fornell 2001; Shemwell et al. 1998) highlighted the importance of service, quality provided, as an antecedent of customer satisfaction. Smith (2009) in a study of customer relation management (CRM) for the concept of attracting and retaining customers pointed out that organization which did not pay attention to the features and service that customers wanted were in risk of reduced profits and market share. In another study, Kumar, Lemon, and Parasuraman (2006) propose a chain of effects framework for understanding and managing customer lifetime value which affects shareholder value. They had identified econometric and data-related challenges in establishing the link of direct relation among two variables, which means longer is the customers stay, better is the value. They have also suggested directions for future research.

Against this background, this study aims to explore the way that relates to retailer satisfaction for Indian health drink and considering it as flexible approach as this has not been used for untouched Indian health drink sector for measuring satisfaction of retailers. The products reach customers through retailers whose function is to make products available to customer.

The basic rule for organisation is to consider the retailer as a very important person who bridges the gap for B-to-B selling of their products. Companies doing a lot to check B-to-C satisfaction, instead, have to realise the importance of B-to-B satisfaction also for their growth.

Realising the importance of distributors and retailers in achieving customer satisfaction this paper has been focussed to evaluate retailers/distributors satisfaction

The study was conducted over the retailers and distributors of Nestle (FMCG giant) to measure the level of satisfaction.

1.1 Nestle India

Nestlé India is a subsidiary of Nestlé S.A. of Switzerland. With seven factories and a large number of co-packers, Nestlé India is a vibrant Company that provides consumers in India with products of global standards and is committed to long-term sustainable growth and shareholder satisfaction.

The Company insists on honesty, integrity and fairness in all aspects of its business and expects the same in its relationships. This has earned it the trust and respect of every strata of society that it comes in contact with and is acknowledged amongst India's 'Most Respected Companies' and amongst the 'Top Wealth Creators of India'.

Nestle was promoted by Nestle Alimentana, Switzerland, a wholly owned subsidiary of Nestle Holdings Ltd., Nassau, Bahama Islands. Nestle is one of the oldest food MNC operating in India, with a presence of over a century. For a long time, Nestle India's operations were restricted to importing and trading of condensed milk and infant food. Nestle was incorporated as a limited company in 1959. In 1978, the Company issued 0.4mn new shares and 0.38m of existing shares of Nestle Holdings Ltd. to Indian public to reduce its foreign holdings to 40%. Its name was changed from Foods Specialties Ltd. to the current name in 1981. Over the years, the Company expanded its product range with new products in instant coffee, Maggie noodles, sauces, pickles and other culinary aids, chocolates and confectionery.

1.1.1 Origin in India

Nestlé's relationship with India dates back to 1912, when it began trading as The Nestlé Anglo-Swiss Condensed Milk Company (Export) Limited, importing and selling finished products in the Indian market.

After India's independence in 1947, the economic policies of the Indian Government emphasized the need for local production. Nestlé responded to India's aspirations by forming a company in India and set up its first factory in 1961 at Moga, Punjab, where the Government wanted Nestlé to develop the milk economy. Progress in Moga required the introduction of Nestlé's Agricultural Services to educate, advise and help the farmer in a variety of aspects. From increasing the milk yield of their cows through improved dairy farming methods, to irrigation, scientific crop management practices and helping with the procurement of bank loans. Nestlé set up milk collection centres that would not only ensure prompt collection and pay fair prices, but also instil amongst the community, a confidence in the dairy business. Progress involved the creation of prosperity on an on-going and sustainable basis that has resulted in not just the transformation of Moga into a prosperous and vibrant milk district today, but a thriving hub of industrial activity, as well. Nestlé has been a partner in India's growth for over nine decades now and has built a very special relationship of trust and commitment with the people of India. The Company's activities in India have facilitated direct and indirect employment and provides livelihood to about one million people including farmers, suppliers of packaging materials, services and other goods.

The Company continuously focuses its efforts to better understand the changing lifestyles of India and anticipate consumer needs in order to provide Taste, Nutrition, Health and Wellness through its product offerings. The culture of innovation and renovation within the Company and access to the Nestlé Group's proprietary technology/Brands expertise and the extensive centralized Research and Development facilities gives it a distinct advantage in these efforts. It helps the Company to create value that can be sustained over the long term by offering consumers a wide variety of high quality, safe food products at affordable prices.

Nestlé India manufactures products of truly international quality under internationally famous brand names such as NESCAFÉ, MAGGI, MILKYBAR, MILO, KIT KAT, BAR-ONE, MILKMAID and NESTEA and in recent years the Company has also introduced products of

daily consumption and use such as NESTLÉ Milk, NESTLÉ SLIM Milk, NESTLÉ Fresh 'n' Natural Dahi and NESTLÉ Jeera Raita.

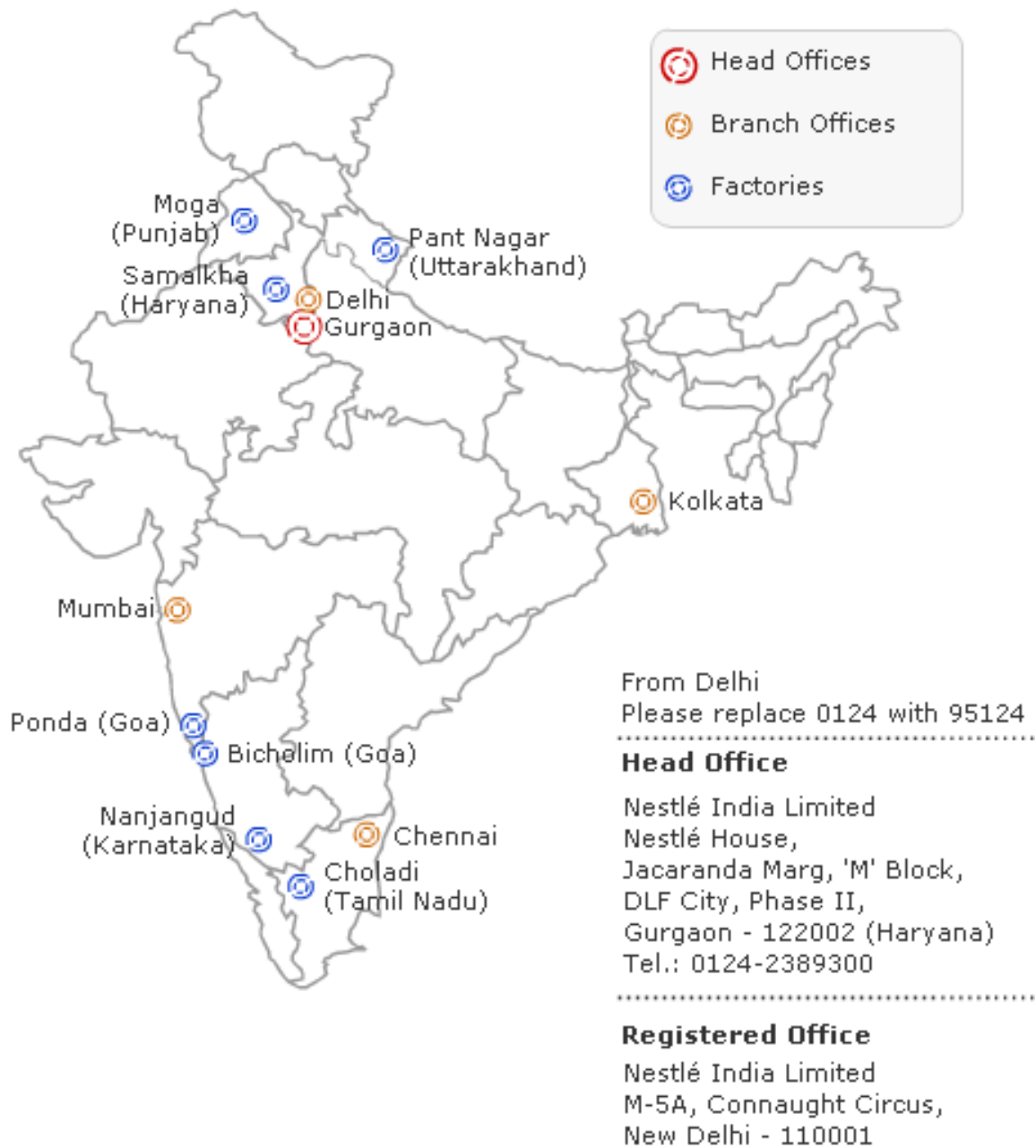
Nestlé India is a responsible organization and facilitates initiatives that help to improve the quality of life in the communities where it operates.

1.1.2 Group

Nestle S A Switzerland, is one of the leading companies in the global foods industry. The principal activities of the group encompass beverages (with Nescafe as the flagship brand), milk products, processed foods, cooking aids, bakery products, chocolates, confectioneries, pharmaceutical products (ophthalmic, surgical instruments etc).

Nestle has a presence in 83 countries worldwide. It has a total number of 509 factories out of which 220 are located in Europe, 153 in America and 136 in Africa, Asia and Oceania

An Overview of Plant Locations



1.1.3 Brands

Most people know us through our brands. Nestlé's portfolio covers practically all food and beverage categories. Some brands are only available in certain parts of the world. Some of the important Nestle products are tabulated below.

Product Category	Products
Milk	Nestle Everyday Ghee
	Nestle Milkmaid
	Nestle Everyday Dairy Whitener
Beverages	Nescafe Classic
	Nescafe Sunrise
	Nestea
	Nestle Milo
Chocolates and Confectionary	Kitkat
	Milky bar
	Munch
	Nestle Milk Chocolate
	Bar one
	Eclairs
	Polo
Prepared Dishes and Cooking Aids	Maggi-2-minute Noodles
	Maggi Chinese Noodles
	Maggi Vegetable Atta Noodles
	Maggi Dal Atta Noodles
	Maggi Hot and Tomato Sauces
	Pickels and Pastes
	Maggi Soups

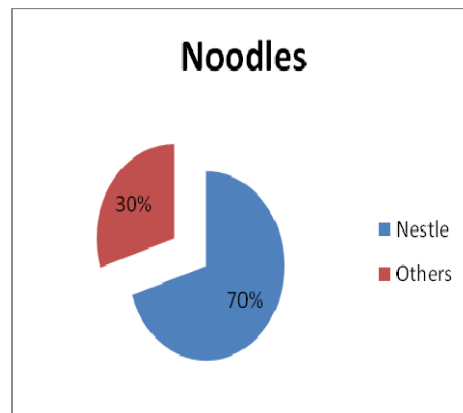
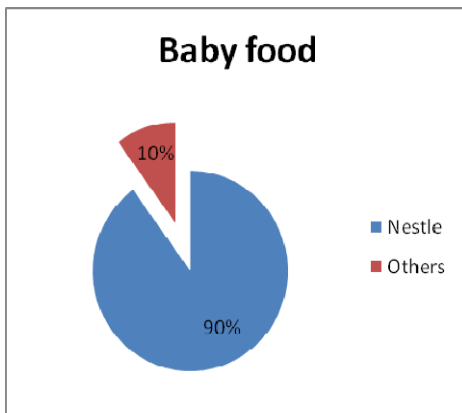
1.1.5 Nestle Analysis and Overview

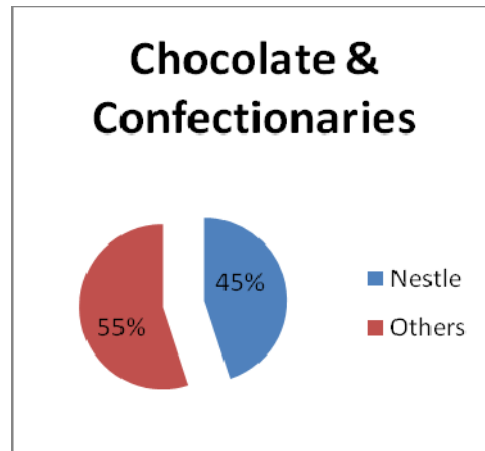
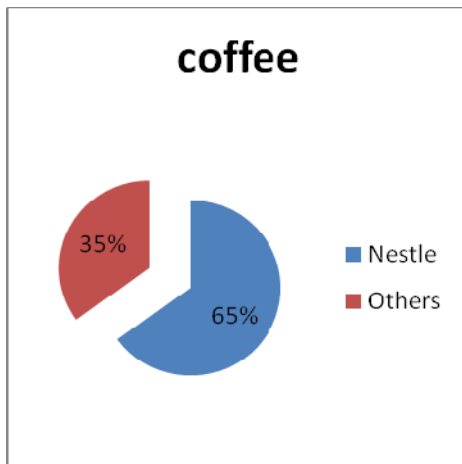
Nestle India is continuously putting efforts to improve its performance year after year. The following table shows the comparative sales figures of Nestle India for two subsequent years.

Sales	31-12-2009	31-12-2008
Net Domestic Sales	480077	398585
Export Sales	32861	33839
Net Sales	512938	432424

Net sales increased by 18.6% .Domestic sales increased by 20.4% due to increase in volume as well as realizations. Export sales are lower by 2.9% largely on account of lower sales to Russia and Bangladesh, partially offset by improved realizations due to depreciation of Indian rupee in the first nine months of the year.

Nestle India holds a 51% stake in the company. Nestle in India irrespective of other Giants like Amul is doing well to have a respectable market share. Market share for some of the brands are shown below.





2. Literature Review:

The American Customer Satisfaction Index (ACSI) is an economic indicator that measures the satisfaction of consumers across the U.S economy. It is produced by the National Quality Research Centre (NQRC) at the University of Michigan.

As long as repeat business is important and as long as customers have chance to go somewhere else, employees must deliver high level of customer satisfaction for a company to be successful. In a competitive market place that offers meaningful consumer choice alternatives firms that do well by their customers are rewarded by repeat business, lower price elasticity, higher reservation prices, more cross selling opportunities, greater marketing efficiency and a host of other things that usually lead to earnings growth (Fornell et al. 1996). Customer satisfaction with a company's products or services is often seen as the key to company's success and long term competitiveness. In the context of relationship marketing, customer satisfaction is often viewed as a central determinant of customer retention.

Customer satisfaction is an abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other factors of the customer, such as other products against which the customer can compare the organization's products.

Work done by Parasuraman, Zeithaml and Berry (1993) delivered SERVQUAL which provides the basis for the measurement of customer satisfaction with a service by using the

gap between the customer's expectation of performance and their perceived experience of performance. This provides the researcher with a satisfaction "gap" which is semi-quantitative in nature. Cronin and Taylor extended the disconfirmation theory by combining the "gap" described by Parasuraman, Zeithaml and Berry as two different measures (perception and expectation) into a single measurement of performance relative to expectation.

In a study of catalogue retailer, Reinartz and Kumar (2003) find a weaker than expected (but significant) relationship between customer retention and profitability. The strength of any customer retention-profitability relationship depends on the cost of creating and maintaining repeat customers. If repeat business is created through price discounts or other means that do not cause an upward shift in the firm's demand curve, the relationship will be weaker. The repeat business produced by higher customer satisfaction will be more profitable in general than repeat business generated by price discounts. Porter (1985) emphasized the importance of retaining customers and suggested how the competitive advantage of retaining customers is beneficial to firms.

ACSI when put to measure the customer satisfaction in stock market, reveals that satisfied customers ameliorate the level of net cash flows resulting in high return with low risk (Fornell et al 2006)

Customer satisfaction should not be of theoretical nature, it should reflect the prevailing culture of organization and should be more practical in nature (Gowing and Lindholm, 2002). Gale and Wood (1994) suggested the excellence in quality and service that drives the customer attention. Satisfaction being the most important concept in marketing drives attention of most of the researchers. Ali and Bhardwaj (2009) has taken service quality gap approach as a measure of satisfaction in banking industry and laid emphasis that banks should excel in their corporate quality programme and customer service system.

It's a well known fact that no business can exist without customers. In the business of Website design, it's important to work closely with your customers to make sure the site or system you create for them is as close to their requirements as you can manage. Because it's critical that you form a close working relationship with your client, customer service is of vital importance. Every action should be shaped by a relentless commitment to meeting and exceeding customer expectations regarding product and service quality. However, the whole

organization must be aligned toward customer satisfaction or this approach can never work. It requires an upside down view of business—viewing the organization through the eyes of the customer, rather than through the eyes of an investor. Interestingly enough, the investor's goals are not lost in this process. Increasing customer satisfaction markedly increases market value and profitability (Aranoff and Fitzpatrick, 2008). Achieving and measuring customer satisfaction is a key aim in systems development. However, widespread customer satisfaction is not normally attained largely due to problems of inadequate 'requirements understanding'. This lack of understanding is a function of a semantic gap that exists between customers and system developers while exploring requirements. What is required is a universal and non-technical customer-oriented process that supports the attainment of customer satisfaction through minimising any barriers to understanding (Elliot and Smith, 2000)

There is widespread belief that firms should pursue superiority in both customer satisfaction and productivity. However there is reason to believe these two goals are not always compatible. If a firm improves productivity by downsizing it may achieve an increase in productivity in short term but future profitability may be threatened if customer satisfaction is highly dependent on the efforts of personnel. If so there are potential tradeoffs between customer satisfaction and productivity for industries as diverse as airlines, banking, education etc. It follows that developing a better understanding of how customer satisfaction and productivity relate to one another is of substantial and growing importance especially in light of expected continued growth in services throughout the world economy. It is worth emphasizing that this is an issue that is not only important today, but certainly will become even more important in the future. As the growth of services continues and world markets become increasingly competitive the importance of customer satisfaction will also increase. To compete in such a world, firms must strike the right balance between their efforts to compete efficiently and their efforts to compete effectively (Anderson, Fornell, Rust. 1997). It is also believed that, firms that do not pay attention to the quality and services needed by the customers operate in an unstable environment and may face reduced profits and market share (Smith 2009)

Against this background this study irrespective of various customer satisfaction approaches like product quality, product differentiation, better quality management etc, tries to reveal the satisfaction of retailers/distributors which are in direct contact with customers and are more effective in bringing about customer satisfaction to firms.

3. Research Methodology

3.1 Exploratory Investigations

In order to investigate the objectives of this study the descriptive research method was employed. This study has been carried out to understand the key drivers of satisfaction that are important to Nestle retailers. The technique used for choice of retailer segments is Quota sampling.

A sample was drawn from a list of outlets available with the distributors in three cities Delhi, Noida and Ghaziabad in India. Questionnaire was provided to retailers to obtain information on the various services that distributors provide. A 5-point likert scale was used to capture the retailers responses ranging from strongly agree to strongly disagree.

The questionnaire used for the sample survey is a structured, Likert non-comparative scaling technique and non-disguised questionnaire and consisted of four sections. It is a widely used rating scale which requires the respondents to indicate a degree of agreement or disagreement with each of a series of statements or questions (Ajzen and Fishbein, 1980). This rating scale is easy to construct and administer and respondents readily understand how to use the scale (Malhotra and Birks, 2003, pp. 305).

Responses were collected by personal in depth interview from three types of outlets A, B and C.

The questionnaires were administered in Delhi & NCR area. Four people assisted in conducting the interviews. They include four students of post graduates, all males. Formal training was done apart from explaining briefly what the research is all about and the ways to collect the data. No compensation was given to the interviewers. The data was collected for April – July 2010 in each location. Since no list of retailers was used, the retailer locations were used as quota segment. These retailers locations may relate to the level of social class of inhabitants and as well as to the level of use of the FMCG products.

3.2 Data Collection

Data were collected by personally visiting different outlets and explaining them in detail about the survey. Distributor provides us an exhausted list of outlets but due to time and

budget constraints we have surveyed only 18 outlets of different classes, 2 of each class from each place.

Retail outlets have been classified into A, B and C class outlets depending on the number of cash counters they have.

Type of Outlets	Number of Cash Counters
A -class outlet	more than 5
B-class outlet	3-5
C-class outlet	1-2

4. Research model base

This study is an adaptive approach to ACSI model, which consists of areas of customer satisfaction assessment such as process, information, customer service, perceived customer quality and customer expectation.

4.1 ACSI Model

The American Customer Satisfaction Index (ACSI) is an economic indicator that measures the satisfaction of consumers across the U.S economy. It is produced by the National Quality Research Centre (NQRC) at the University of Michigan.

ACSI model has been extensively used by different research groups, institutions and universities to create effective customer satisfaction indices for their national economies.

The ACSI is produced by the joint effort of University of Michigan Business School, CFI group and the American society for Quality.

Data has been put into a casual/Structural equation model, which is utilized to achieve scores for measured latent variable components (like customer expectations, perceived value etc.) The relationships between these measured components are also obtained. The organization is given a customer satisfaction index score or an ACSI score which reflects weighted average of three satisfaction proxy questions on a 0-100 scale. Practically, the scores move from the low 50s to high 80s. The three satisfaction questions are generally identical and the

comparisons between organizations thus become available. Organizations can incorporate these questions for their surveys of comparisons. The ACSI score is calculated using arithmetic mean for each question, AMQ as given below

$$[(\text{Satisfaction}-1)*\text{AMQ} + (\text{Expectancy}-1)*\text{AMQ} + (\text{Performance}-1)*\text{AMQ}]/[n-1] * 100$$

The ACSI model has been taken as the base model for this paper. Here we aimed at calculating retailer satisfaction and considering Nestle as a giant and best in industry we are assuming that retailers are loyal to them and thus we are not taking into account the part of customer loyalty and customer complaints shown in Figure 1. So our model for this particular research work will be as one shown in Figure 2.

Figure 1 ACSI Model

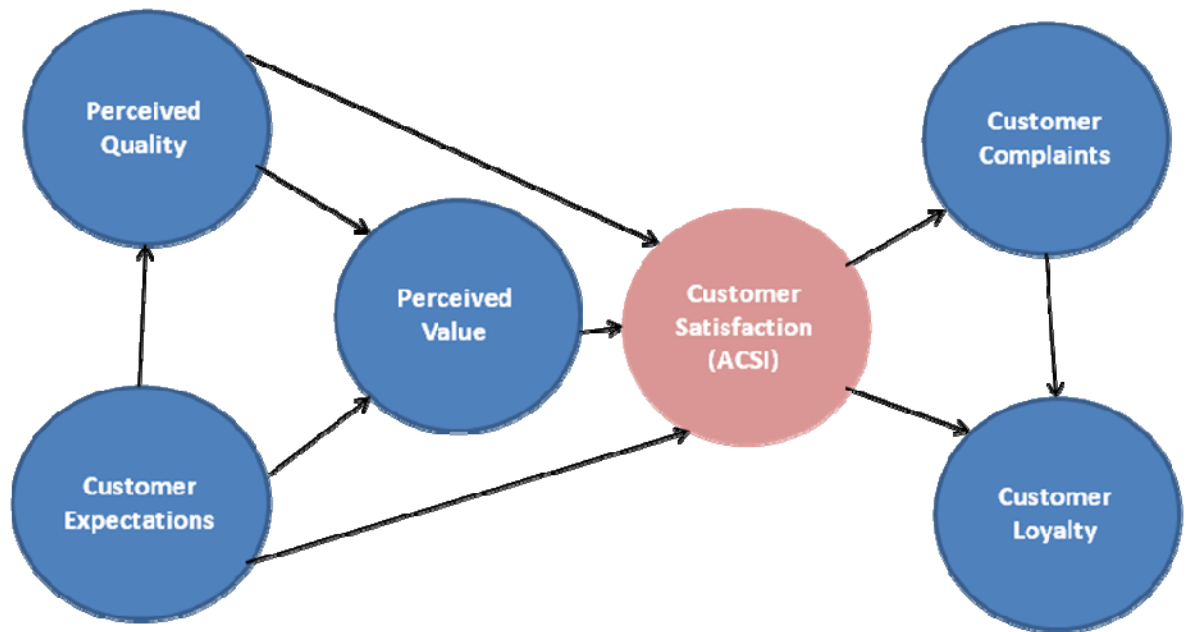
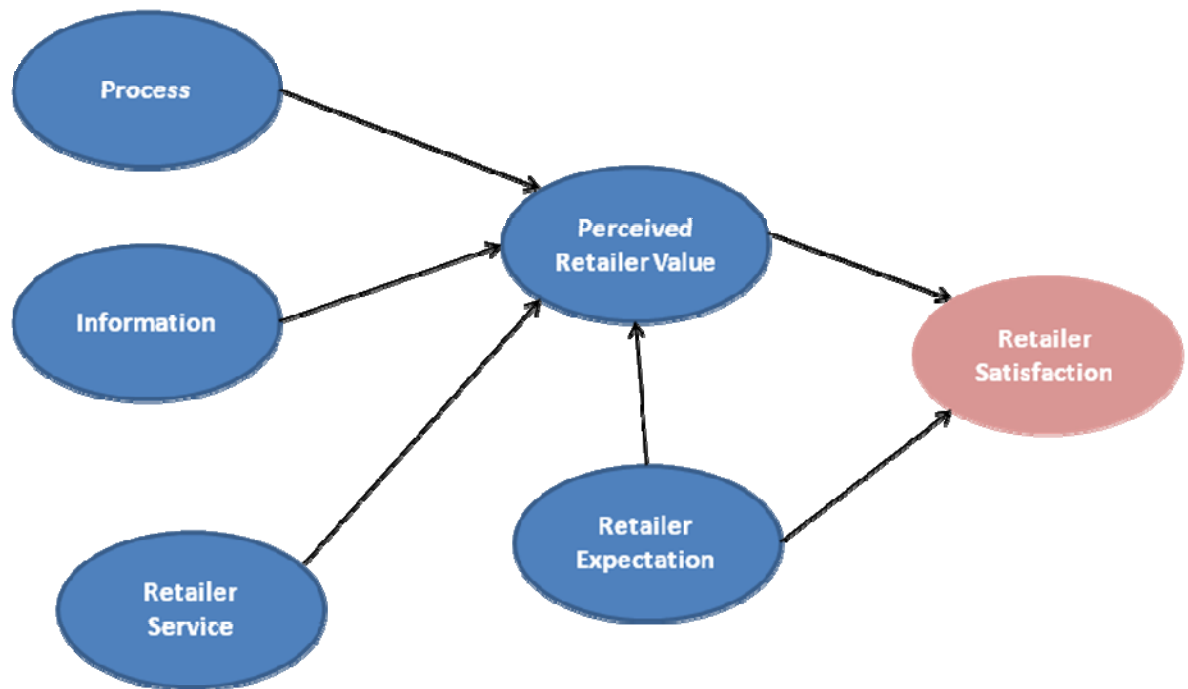


Figure 2 Adaptive Model



The role of four factors is briefly described below

Process: The retailers have a tendency to go for best product/service available in the market and if the product or service is of an inferior quality they go for exchange policy or with certain promotional schemes. The retailers are much concerned that distributors should pay attention to their needs with urgency. Perceived value is a measure of quality relative to price paid. However price i.e. value for money often fetch out retailers importance to have handsome profit on purchase, it usually have smaller impact on satisfaction.

Information: Flow of complete information is necessary to avoid any discrepancy, retailers are in actual the final point of contact with customers and therefore they should be well informed about the various products or services. They provide first hand feedbacks to company containing information on proper pricing, quality and other customer responses. Perceived quality is a measure of retailer's evaluation against the consumption experiences of the quality of company's products or services.

Retailer Service: In the journey of product from company to consumer via distributors and retailers satisfaction of each linkage brings about the satisfaction of another. This implies that if retailers are well satisfied with the services, behaviour of distributors they are supposed to attach more customer satisfaction with the brand.

Retailer Expectations: It is a measure of retailer’s anticipation of the quality of a company’s products or services. Like retailers expect a credit policy from distributors so that they can go for variety of products, certain promotional schemes and free offers.

5 Analysis and Findings

Factor analysis was done based on factors discussed by Ali (2006a) to find out the key dimensions affecting retailer satisfaction levels. Respondent ratings were subjected to principal axis factoring with varimax rotation to reduce multi-co linearity among the items and to improve reliability of data(see Appendix 2: Rotated factor matrix and varimax rotation, with Kaiser normalization was converged in 12 iterations).

KMO greater than equal to 0.5 is acceptable. In table 1 all factors have values greater than 0.5 and less than 1. Hence validity of data is accepted.

Table 1 KMO value for different parameters

Parameter	KMO	Significance Level
Process	0.627	0.000
Information	0.704	0.000
Retailer Service	0.806	0.000
Retailer Expectation	0.556	0.000

Note: Above values are taken from table P1, I1, S1 and E1 (see Appendix 2)

5.1 Bartlett’s sphericity test

H0: Variables in the population correlation matrix are uncorrelated

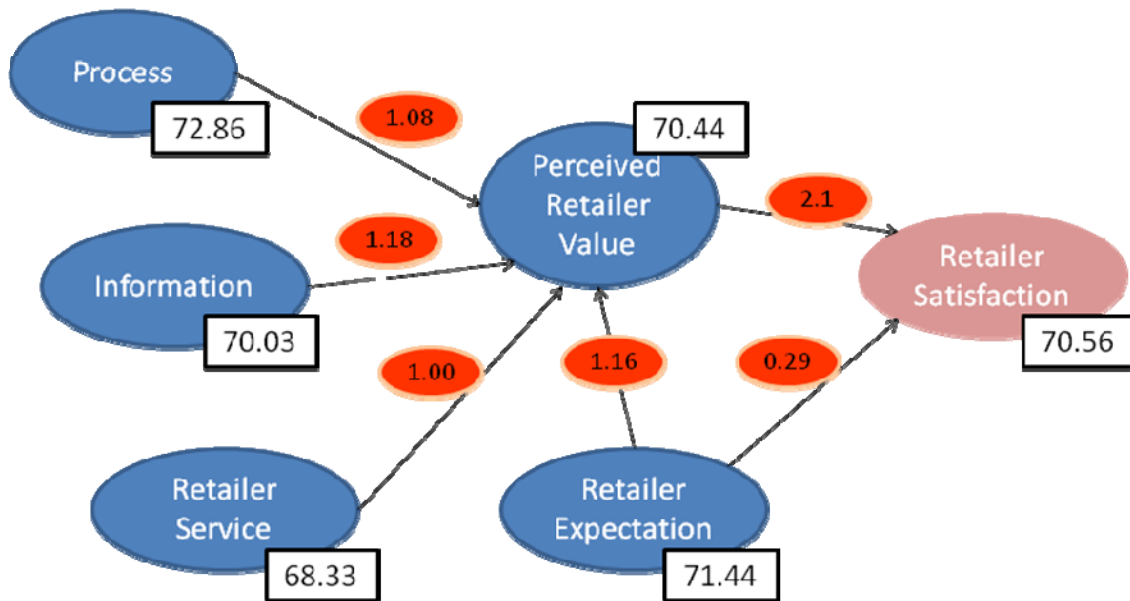
H1: Variables in the population correlation matrix are correlated

The observed significance level is 0.05 which is quite small to reject the hypothesis, which shows that variables are correlated.

6 Results and Conclusions

The model shown below in Figure 3 for Nestle Retailer Satisfaction Index must be viewed as a cause model that moves from left with satisfaction in the right. The percentage of variable components is measured by several questions. The arrows connecting the components in the circles represent the strength of the effect of the component on the left to the one which the arrow points on the right. The larger the number on the arrow, the more affects the component on the left has on the one on the right.

Figure 3 Adaptive or Modified Model



Retailer Satisfaction Index is a weighted average of 4 parameters in the questionnaire in Appendix 1. The questions are answered on 1-5 scales, but the weighted average is transposed and reported as an index on a 0-100 scale.

The Retailer Satisfaction Index for Nestle Retailers is 70.56 on a 0-100 scale.

6.1 Drivers of Satisfaction

Each of the three major activities named process, retailer service and information is measured by multiple variables shown with different questions under each factor. The three component scores are weighted averages of these questions for retailer perceived quality. Retailer expectation is also considered as a driver of satisfaction. The score for drivers are listed in Table 2.

Table 2 Drivers of Satisfaction

Activities	Scores
Process	72.86
Information	70.03
Retailer Service	68.33
Retailer Expectation	71.44
Perceived Retailer Value	70.44

7 Limitations and Future Research

Every research has certain kind of limitations. This study utilizes the data for 18 retailers only which makes it difficult to generalize the results on the bigger level. Due to small sample size demographic characteristics could not be used as market segmentation tools. Due to budgetary and time constraint it was not possible to collect data from thousands of retailers from different sets of locations all over India. Collection of data from a large number of retailers could have resulted in a greater amount of useful results.

In this research work we have not taken into account the loyalty part, in future cases loyalty of retailers can also be taken into account. We have tried to find out the retailer satisfaction for an FMCG giant in India, in future this kind of research can also be performed in other developed or developing nations. Further analysis could be done for factors influencing satisfaction and the relationship between satisfaction and demographics.

8 Managerial Implications:

In a food sector, consumer demands use to change rapidly and the shelf life of most of the food items is quite less, therefore retailers need to react fast to consumer preferences.

Our research clearly indicates that retailer satisfaction index for Nestle is 70.56 and little efforts are needed to take it to high 80s.

As per Leeds (1992) some sorts of formal greetings may increase customer satisfaction. Thus employees and workers need to be trained to offer formal greetings to retailers/customers to improve their satisfaction. Managerial implications in implementing activities and certain schemes like sales promotion, gifts, exchange offers may provide good future prospects.

Retailers need to be well informed about various products/services and they should be guided well in advance about the new launches so that they can pass out this information to customers.

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6. <http://www.nestle.in/ChocolatesConf.aspx?OB=4&id=65>
7. <http://www.nestle.in/sitemap.aspx>

Appendix I

QUESTIONNAIRE

Opinion Survey on Retailer Satisfaction of Nestle India Ltd for the factor affecting their satisfaction regarding the company.

Please specify the company you preferred most out of the followings:

To indicate your response for option chosen for above mentioned company please put a tick mark to the appropriate box that most closely represents your opinion. Please give your opinion based on the views of your current situation. There is, off course no right or wrong answers. For each question 'undecided' response is available if you cannot decide about a statement or if it does not apply to you.

Strongly agree = SA	Agree= A	Undecided = N	Disagree= DA	Strongly Disagree= SDA
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1. PROCESS

Sl. No.		SA	A	N	DA	SDA
1	Nestle has excellent product					
2.	Nestle has excellent variety of products					
3	Nestle Products are among the best					
4	Distributor has enough employee to meet retailers need					
5	Nestle has retailer friendly return exchange policy					

6	Nestle service is fast and saves time					
7	I find plenty of company competing Nestle Products.					

2. INFORMATION

Sl. No		SA	A	N	DA	SDA
8	Nestle provide sample to test during Launch					
9.	I always find schemes /offers					
10	I can find product advertised in newspaper/TV					
11	I can get good bargain with Nestle					
12	Prices are reasonable as compared to competitors					
13	Nestle has strong visibility in Media					

3. RETAILER SERVICE

Sl. No.		SA	A	N	DA	SDA
14	I am satisfied with the Distributor.					
15	It is prestigious to deal with Nestle Distributor.					
16	The Distributor's employee offer personal attention					
17	I feel safe in conducting business with Distributor.					
18	Distributor gives preferential treatment to some retailer					
19	Distributor pressurize retailer into purchase					
20	Nestle does not display free samples					

4. RETAILER EXPECTATION

Sl. No.		SA	A	N	DA	SDA
21	I prefer those who provide various variety of products					
22.	Free sample is important for me					
23	I expect Distributor should provide free delivery					
24	Distributor should provide credit policy					
25	Distributor Employee should pressurize to purchase					
26	Company should have friendly return policy					

Appendix II: List of Tables

A: Process:

Table P 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.627
Bartlett's Test of Sphericity	Approx. Chi-Square	18.421
	Df	21
	Sig.	.000

Table P 2: Communalities

	Initial	Extraction
Nestle has excellent product	1.000	.674
Nestle has excellent variety of products	1.000	.714
Nestle Products are among the best	1.000	.392
Distributor has enough employee to meet retailers need	1.000	.627
Nestle has retailer friendly return exchange	1.000	.615

policy		
Distributor service is fast and saves time	1.000	.510
I find plenty of company competing Nestle Products.	1.000	.538

Extraction Method: Principal Component Analysis.

Table P 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.303	24.67	24.67	1.876	35.52	26.43	1.394	26.40	26.40
2	1.134	21.47	46.15	1.234	23.37	49.80	1.292	24.47	50.86
3	1.041	19.71	65.86	1.061	20.09	69.89	1.162	22.00	72.86
4	0.762	14.43	80.29						
5	0.524	9.92	90.21						
6	0.405	7.67	97.88						
7	0.112	2.12	100.00						

Extraction Method: Principal Component Analysis.

Table P4: Rotated Component Matrix(a)

	Component		
	1	2	3
Nestle has excellent product	-.192	.756	.256
Nestle has excellent variety of products	.349	.732	-.238
Nestle Products are among the best	.569	-.262	.006
Distributor has enough employee to meet retailers need	.706	.263	.243

Nestle has retailer friendly return exchange policy	-.047	.156	.767
Distributor service is fast and saves time	.306	-.135	.631
I find plenty of company competing Nestle Products.	.729	.077	.033

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Table P 5: Component Score Coefficient Matrix

	Component		
	1	2	3
Nestle has excellent product	-.204	.590	.198
Nestle has excellent variety of products	.204	.569	-.300
Nestle Products are among the best	.383	-.244	-.043
Distributor has enough employee to meet retailers need	.410	.144	.114
Nestle has retailer friendly return exchange policy	-.130	.074	.674
Distributor service is fast and saves time	.132	-.169	.532
I find plenty of company competing Nestle Products.	.461	.010	-.061

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

B: Information

Table I 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.704
Bartlett's Test of Sphericity	Approx. Chi-Square
	115.561
	Df
	15

Sig.	.000
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Table I 2: Communalities

	Initial	Extraction
Nestle provide sample to test during Launch	1.000	.779
I always find schemes /offers	1.000	.586
I feel I have been sufficiently well trained to deal effectively with our clients/customers	1.000	.526
I can get good bargain with Nestle	1.000	.405
Prices are reasonable as compared to competitors	1.000	.768
Nestle has strong visibility in Media	1.000	.578

Extraction Method: Principal Component Analysis.

Table I 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.578	42.97	42.97	3.130	52.18	52.18
2	1.063	17.72	60.69	1.071	17.85	70.03
3	0.797	13.28	73.97			
4	0.638	10.64	84.61			
5	0.572	9.53	94.14			
6	0.351	5.85	100.00			

Extraction Method: Principal Component Analysis.

Table I 4: Rotated Component Matrix(a)

	Component	
	1	2
Nestle provide sample to test during Launch	.041	.882
I always find schemes /offers	.257	.721
I feel I have been sufficiently well trained to deal effectively with our clients/customers	.723	.055
I can get good bargain with Nestle	.564	.294
Prices are reasonable as compared to competitors	.876	.038
Nestle has strong visibility in Media	.707	.280

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Table I 5: Component Score Coefficient Matrix

	Component	
	1	2
Nestle provide sample to test during Launch	-.189	.686
I always find schemes /offers	-.036	.508
I feel I have been sufficiently well trained to deal effectively with our clients/customers	.372	-.129
I can get good bargain with Nestle	.230	.097
Prices are reasonable as compared to competitors	.457	-.179
Nestle has strong visibility in Media	.309	.052

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

C: Retailer Service

Table S 1: Table I 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.806
Bartlett's Test of Sphericity	Approx. Chi-Square	211.991
	Df	21
	Sig.	.000

Table S 1: Communalities

	Initial	Extraction
I am satisfied with the Distributor.	1.000	.511
It is prestigious to deal with Nestle Distributor.	1.000	.607
The Distributor's employee offer personal attention	1.000	.590
I feel safe in conducting business with Distributor.	1.000	.584
Distributor gives preferential treatment to some retailer	1.000	.566
Distributor pressurize retailer into purchase	1.000	.488

Extraction Method: Principal Component Analysis.

Table S 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.345	61.24	61.24	3.732	68.33	68.33
2	0.624	11.42	72.67			
3	0.541	9.90	82.57			
4	0.408	7.47	90.04			

5	0.243	4.45	94.49			
6	0.301	5.51	100.00			

Extraction Method: Principal Component Analysis.

Table S 4: Component Matrix (a)

	Component
	1
I am satisfied with the Distributor.	.715
It is prestigious to deal with Nestle Distributor.	.779
The Distributor's employee offer personal attention	.768
I feel safe in conducting business with Distributor.	.764
Distributor gives preferential treatment to some retailer	.752
Distributor pressurize retailer into purchase	.698

Extraction Method: Principal Component Analysis.

Table S 5: Component Score Coefficient Matrix

	Component
	1
I am satisfied with the Distributor.	.214
It is prestigious to deal with Nestle Distributor.	.233
The Distributor's employee offer personal attention	.230
I feel safe in conducting business with Distributor.	.228
Distributor gives preferential treatment to some retailer	.225
Distributor pressurize retailer into purchase	.209

Extraction Method: Principal Component Analysis.

D: Retailer Expectation

Table E 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.556
Bartlett's Test of Sphericity	Approx. Chi-Square	70.450
	Df	15
	Sig.	.000

Table E 2: Communalities

	Initial	Extraction
Free sample is important for me	1.000	.702
I expect Distributor should provide free delivery	1.000	.513
I prefer those who provides various variety of products	1.000	.405
Distributor should provide credit policy	1.000	.598
Distributor Employee should pressurize to purchase	1.000	.614
Company should have friendly return policy	1.000	.537

Extraction Method: Principal Component Analysis.

Table E 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.641	36.85	36.85	2.641	36.85	36.85	2.654	37.03	37.03
2	2.356	32.87	69.72	2.356	32.87	69.72	2.466	34.41	71.44
3	0.667	9.31	79.03						
4	0.547	7.63	86.66						
5	0.522	7.28	93.94						

6	0.434	6.06	100.00					
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Extraction Method: Principal Component Analysis

Table E 4: Rotated Component Matrix(a)

	Component	
	1	2
Free sample is important for me	.212	.810
I expect Distributor should provide free delivery	.707	.112
I prefer those who provide various variety of products	.634	-.055
Distributor should provide credit policy	-.010	.773
Distributor Employee should pressurize to purchase	-.531	.575
Company should have friendly return policy	-.731	-.059

Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

Table E 5: Component Score Coefficient Matrix

	Component	
	1	2
Free sample is important for me	.136	.510
I expect Distributor should provide free delivery	.403	.083
I prefer those who provide various variety of products	.359	-.022
Distributor should provide credit policy	.009	.482
Distributor Employee should pressurize to purchase	-.291	.349
Company should have friendly return policy	-.416	-.051

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization