

Factors influencing Highway Retailer Satisfaction in FMCG industry

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Abstract

FMCG retailers are growing in India, the retailers these days having a great awareness of products and services offered by each of the FMCG company in India. The retailer satisfaction is a key to success for every company as in the current scenario retailers not only meant for distributing the goods provided by the company to customers but also the value and the relationship, they maintain with the customers will reflect on the company's overall market value. Therefore, the study aims at studying the factors influencing highway retailer satisfaction. Also, the study aims to know the overall satisfaction of the retailers concerning some of the FMCG companies.

This study will certainly help the companies to create strategies for the highway outlets. The company's focus on the loyalty of the retailers to distribute their products and retailer satisfaction is the basis for the loyalty of every retail outlet owner. The size of the sample considered in the study is 200 respondents. The collected data is analysed with a statistical method called exploratory factor analysis by using the IBM SPSS 20.0 software

Keywords: Highway retailer, Retailer satisfaction, FMCG, Factor Analysis, Exploratory factor analysis, Satisfaction.

INTRODUCTION

Besides the highest population in India there is a growing awareness and education of customers and, change under the lifestyle of buyers. Thus, most of the FMCG firms started focusing on customer satisfaction. Now near the 22nd century, we could see that various firms in FMCG sector remain growing moreover increasing their market share rapidly through fulfilling the needs of every customer and also, the companies do present many coupons, toys, and gifts, etc. for free to make the customer happy and satisfied. The products which are offered by the company for the customers, they use retailers as their gap fillers. As well as, every retailer tries to satisfy the customer utmost. Therefore, for the satisfaction of customers, the retailer plays a major role and also, in the supply chain, retailers play a vital role. Anyhow, the retailers have a very little or less recognition by the companies and which may result in dissatisfaction of the retailer. To overcome the situation, these days, the satisfaction of the retailer is considered as a primary task by most of the FMCG companies in India. Their

satisfaction is foremost important function hence, all the companies in the FMCG industry, based upon their channel of distribution, they have a special focus towards the retailer and their satisfaction. However, the factors which will help the companies to satisfy the retailers are studied in this.

Retailer's loyalty also depends on the satisfaction of retailers (Davis, Cornelia, Mentzer and Myers, 2009). The Indian FMCG companies have been untouched for measuring retailer satisfaction. There is very little or not much focus on studying retailer satisfaction by both companies and researchers.

FMCG industries in India are expected to grow at a Compound Annual Growth Rate of 27.9% by 2020. Retailer satisfaction has become a primary and most important task for all the FMCG companies in India. A retailer is an outlet where a large quantity of goods is purchased directly from the manufacturers or the wholesalers/distributors (Adhirai, and Surulivel, 2017). A retail outlet may be a DHABA/tiffin centre, stationery, bakery, grocery store and other small outlets like pan shop and juice centre. A retailer has a direct touch with the customers, thus having an effective interaction and keeping the retailer satisfaction at ace will always result in sustaining for a longer period of time in the market. Manufacturers truly believe that without the support of the retailers the brand building cannot happen, and it all depends upon the relationship satisfaction (Poddar, Donthu and Parvatiyar, 2013).

As per the study of Ali and Dubey (2013) retailers are the mediators between the manufacturers and the customers. Thus, many companies work hard to maintain the retailer satisfaction and make sure the retailer is satisfied and retailer satisfies the customer. Also, in return the companies congratulating the retailers with numerous recognitions and prestigious industry awards. The retailer is a part of channel i.e. distribution system, retailer's satisfaction will help in customer satisfaction and also build a strong relationship between the company and retailer. Thus, satisfaction plays an important subject of the relationship between the supplier and retailer. There are many factors which may satisfy the retailer out of which the major factor is that the retail outlet should have consistent contact with the salesperson. This is considered as one of the top factors of retailer satisfaction (Schellhase, Hardock and Ohlwein, 2000).

According to Poddar, Donthu, and Parvatiyar (2013) the retailers also helps the manufacturers in trade promotions, retailers prefer trade promotions that provide short-term economic benefits; the manufacturer prefers trade promotions that provide long-term, franchise-building benefits.

Therefore, the study focuses on understanding retailers' satisfaction in the FMCG industry and on appreciating the factors which influence the retailers' satisfaction. The present study is intended to extract the factors which are essential for a manufacturer to keep an eye on those factors and make the retailer satisfy. This study aims to study the factors influencing the highway retailer satisfaction in FMCG industry. At the same time, the efforts made to know the overall satisfaction of the retailers towards the services provided by the FMCG companies.

REVIEW OF LITERATURE

Adhirai and Surulivel (2017) say marketing is all about identifying and satisfying customer need. In order to satisfy customer needs, companies indulge in some of the activities like promotion, distribution, advertising, with all of these aside companies also focus on retailer satisfaction, which is a major concern for all the FMCG companies in India.

Sramek, Droge, Mentzer and Myers (2009) tries to fill a gap between the supplier-retailer loyalty by understanding the order fulfilment service quality through two dimensions: technical dimensions and relational dimensions. First dimension, the Technical Dimensions relate to the operational part like delivering the right products on time and responsible, and second dimension, the Relational Dimensions relate to moments of truth by the personnel and responsiveness of the contact personnel.

Runyan, Sternquist and Chung (2010) say that channel relationship is fully mediated with one or more constructs including trust, commitment, relationship satisfaction, and quality.

Ali and Dubey (2013) state that satisfaction is the most important concept in marketing and has a great impact on researchers to write papers on it. They are many kinds of literature on customer satisfaction whereas there is a strong relationship between customer satisfaction and economic performance.

Ruekert and Churchill (1984) state that the construct of satisfaction is of fundamental importance in understanding channel relationships, the construct of channel member satisfaction so important in both theoretically and managerially to measure the satisfaction.

Retailers help to bridge the gap between the manufacturers and the customers and another major factor a retailer should consider is quality of service, as every customer want a unique experience (Bawa, Gupta and Sharma, 2013).

The satisfaction of retailers is core determinant of success, there is always a lack of clarity in considering a particular construct of dimensions which produce the satisfaction of retailer (Schellhase, Hardock and Ohlwein, 2000).

The unorganized retailers' opportunities are growing the middle class, India's booming economy, a large number of educational institutions and increase in spending with earnings Mittal and Prashar (2011).

According to Poddar, Donthu and Parvatiyar (2013) trade promotions are done by the retailer for some incentives provided by the vendor as a brand building activity taken on behalf of the vendor.

With long-term orientation, it also builds the trust, economic dependence, functionality of conflict, satisfaction, and trust has a positive impact on the relationship of retailer-supplier Chung, Sternquist and Chen (2006).

The model two strategies have compared one is exchange of product (innovation, design, quality, or customisation) and another one is exchange of process (services before, during, and after a sale) i.e. what is offered is the product and how it is offered is the services. The study also focuses on the loyalty and its effect based on the satisfaction of retailers Lopez and Boluda (2017).

Andaleeb (1996) examines the effects of trust and dependence on satisfaction and commitment to the long-term relationship of channel members. Each member establishes a relationship with another channel member because it needs the other member to achieve desired goals so having a dependence on each is a central part of the channel member satisfaction.

Satisfactions of the retailer is one of the key factors in channel relationship. The satisfaction helps in performance in the distribution channel and channel members probably perform better (Kavak, Sertoglu and Tektaş, 2016).

Somashekhar and Patil (2014) focuses on the necessity of knowing the retailer satisfaction by the companies and the retailers have only option to differentiate in the market is the service what they provide. Retailers are no more just a supplier of good to customer but also responsible for creating a bridge between the company and customer.

According to Beura and Jena (2018), the customer's preference towards the biscuits is changing from glucose biscuits to premium biscuits. The biscuit industry has several categories like economy (glucose), middle, premium, and super premium biscuits. They attempted towards the empirical study of factors influencing retailer's behaviour towards the glucose biscuit segment in the Odisha state.

Satisfaction is positively correlated with the cooperation and inversely correlated with conflict. Under channel member behaviour the satisfaction plays an important role in decision making and satisfaction is a multidimensional construct (Michie and Sibley, 1985)

The relation between the trust, commitment and supply chain efficiency of the food sector in Greek is focused in this study. Through improved use of information technology in distribution this led to an increased bargaining power for the retailers (Vlachos and Bourlakis, 2006).

RESEARCH METHODOLOGY

Research Design

Descriptive research has been used in the study, which is majorly used in social science, psychology, and education research. In the study survey method is used for collecting the data, a survey method can be directly interacting with the group or through a questionnaire or through interviews. The study attempts to know the factors which influence the retailer satisfaction.

Sampling Plan and Size

The sampling method followed is Convenience Sampling technique and it is a non-probability sampling method where the sample is considered from a group of people easy to reach. As the sample in the study are the retailers situated in the Highways from Shadnagar to Penukonda highway (NH 44). The size of the sample considered in the study is 200 respondents.

Data Type and Data Source

Both primary and secondary sources are used in the study for collecting the data. A structured questionnaire was developed, and direct interviews were made to collect the primary data. The research databases like EBSCO, Google Scholar, Emerald, and Elsevier are used to collect the secondary data.

Questionnaire Development

The structured questionnaire is prepared which contains three sections in it. First, the demographic questions, second, measuring the retailer satisfaction variables and at last, measuring the overall satisfaction of retailers with FMCG companies. After studying various research papers on retailer satisfaction, 35 variables have been considered in the study for measuring the factors, which influence the retailer satisfaction. These 35 listed variables responses taken on the measurement scale of the 5-point Likert scale were 1 is Highly Unimportant and 5 is Highly Important.

Data Analysis Method

The collected data is analysed with a statistical method called exploratory factor analysis by using the IBM SPSS 20.0 software. Reliability test is also considered in the study. For identifying and defining the factors varimax rotation is used. Also, varimax is used for stabilizing the data. A rotation tool is used to create the simple structure, if it's achieved through rotation then it will be easy to interpret so that we can make sense of the factor loadings. Also, KMO-Bartlett's test of sphericity, Communalities, total variance explained are considered. Descriptive analysis is also considered in the present study for the demographic section, with the help of frequencies.

DATA ANALYSIS

The data analysis part is divided into four sections namely Reliability, Factor Analysis, Satisfaction Analysis and Descriptive Analysis. There are 35 variables which are considered in the study, for these variables the respondents were asked to mark their answer with 5-point Likert scale where 1 is highly unimportant and 5 is highly important. The varimax technique was used in the analysis of stabilizing the data.

Factor analysis one of the statistical tools to reduce the number of variables into a specific number of Factors. The 35 different variables included to know the factor influencing the highway retailer satisfaction of FMCG industry, considered in the survey are below:

S.No	Variables	S.No	Variable
1	Margins	19	Return policy
2	On time delivery	20	Expired products policy
3	POP ads	21	Quality of products
4	Relationship with company	22	Accessibility of distributor
5	Reference with sales person	23	Responsible sales person
6	On time order taking	24	Communication about New products
7	Frequency of sales person visit	25	Numbers of variants and flavors
8	Schemes and Discounts	26	Packaging
9	Credit Facility	27	Labelling
10	Display racks	28	Replacement of old stock
11	Shelf Space	29	Promotional activities
12	Emergency order capturing	30	Advertisements
13	Availability of SKU	31	Customer Demand
14	Distribution Network	32	Registration Procedure
15	Service Norms	33	Virtual Payment Option
16	SKU recommendation by sales person	34	Advice of sales person
17	Scope of feedback	35	Brand Image of product
18	Complaints handling		

Also, descriptive analysis is used in the study for analysing the demographic section in the questionnaire and the last section in the questionnaire i.e. the overall satisfaction of the retailers with the services provided by the seven FMCG companies. The responses were collected with a 5-point Likert scale, where 1 is highly dissatisfied and 5 is highly satisfied. The seven companies considered in the study are:

S.No	Company Name	S.No	Company Name
1	ITC	5	Haldiram's
2	HUL	6	PepsiCo
3	Parle	7	Procter and Gamble
4	Britannia		

Section 1 – Reliability Test

Reliability

The scale considered for the variables is 5-point Likert Scale (1 is Highly Unimportant and 5 is Highly Important) is tested. The reliability test is tested with Coefficient Alpha and it is also known as the Cronbach's Alpha. It is one of the most commonly used tests to estimate the

reliability of an instrument i.e. variables in a questionnaire. Cronbach's Alpha is simply estimating internal consistency reliability. The total respondents were 200, as the resulted Cronbach's Alpha value is 0.875 which is good. The Cronbach's Alpha is supposed to be higher than 0.70 and the Cronbach's Alpha should be between 0.35 – 0.70 for acceptable, yet the value below 0.35 should not be considered (Somashekhar and Patil, 2014).

Cronbach's Alpha	N of Items
.875	35

Section 2 – Factor Analysis

The data analysis tool used in the study is exploratory factor analysis with the help of IBM SPSS 20.0 software.

KMO and Bartlett's Test

KMO is a measure of sampling fairness, which helps to check the adequacy of the sample for the variables which are considered in the study. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy value resulted in 0.763. Commonly anything above the 0.5 is acceptable, however, a value above 0.6 is most preferred. Under Bartlett's Test of Sphericity, the P-value i.e. significance value is 0.000, which is recorded as below the 0.05 and it states that it is statistically significant value. A test which has a significance value indicates that there are some relations between the variables.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.763
Bartlett's Test of Sphericity	Approx. Chi-Square	2725.823
	Df	595
	Sig.	.000

Communalities

Communalities explain the amount of variance that each variable is accounting for. In the principal component extraction, it is observed that all the values in the column of initial are 1.0, this is because for the correlation analysis. In the extractions column, we can see it has resulted in different values because each value is the extraction estimates and the variance of each component. Through the below table we can observe all the extraction values are above 0.5.

Table 3 – Communalities

	Initial	Extraction		Initial	Extraction
Margins	1.000	.640	Return Policy	1.000	.750
On time Delivery	1.000	.687	Expired products policy	1.000	.642
POP ads	1.000	.677	Quality of products	1.000	.619
Relationship with Company	1.000	.721	Accessibility of distributor	1.000	.635
Reference with sales person	1.000	.684	Responsible Sales person	1.000	.672
On time Order taking	1.000	.607	Communication of new products	1.000	.697
Frequency of sales person visit	1.000	.648	No. of Variants	1.000	.730
Schemes and Discounts	1.000	.587	Packaging	1.000	.767
Credit facility	1.000	.589	Labelling	1.000	.732
Display racks	1.000	.759	Replacement of old stock	1.000	.642
Shelf space	1.000	.758	Promotional activities	1.000	.640
Emergency Order capturing	1.000	.551	Advertisement	1.000	.618
Availability of SKU	1.000	.667	Customer Demand	1.000	.654
Distribution Network	1.000	.661	Registration Procedure	1.000	.782
Service Norms	1.000	.648	Virtual Payment option	1.000	.809
SKU recommendation by sales person	1.000	.592	Advice of sales person	1.000	.668
Scope of feedback	1.000	.613	Brand Image of products	1.000	.684
Complaints Handling	1.000	.676			
Extraction Method: Principal Component Analysis.					

Total Variance Explained

The total variance has three parts in it. Initial Eigenvalues, Extraction sums of squared loadings and Rotation sums of squared loadings. The Eigenvalues extracted and which are above 1 are

the number of factors should be taken in the study. Each Eigenvalue represents the variance related to the particular component. Always it is clear that those factors whose amount of variance is high that is factor 1 and remaining components above 1 Eigenvalue are the remaining factors. The Eigenvalues are again showed in the columns named Extraction sums of squared loadings, wherein the values which are below Eigenvalue 1 are discarded. In the final part of the table Rotation sums of squared loadings, the total values of 11 factors are cumulated as the variance considered. The total cumulative variance considered in the study is 67.150 percentage.

Table 4 – 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	7.550	21.573	21.573	7.550	21.573	21.573	2.708	7.738	7.738
2	2.382	6.805	28.377	2.382	6.805	28.377	2.600	7.428	15.166
3	2.106	6.017	34.395	2.106	6.017	34.395	2.513	7.181	22.348
4	1.984	5.668	40.063	1.984	5.668	40.063	2.395	6.843	29.191
5	1.761	5.031	45.094	1.761	5.031	45.094	2.358	6.737	35.927
6	1.657	4.733	49.827	1.657	4.733	49.827	1.961	5.603	41.530
7	1.419	4.055	53.882	1.419	4.055	53.882	1.909	5.454	46.984
8	1.264	3.613	57.495	1.264	3.613	57.495	1.897	5.419	52.403
9	1.211	3.459	60.954	1.211	3.459	60.954	1.889	5.398	57.801
10	1.094	3.125	64.078	1.094	3.125	64.078	1.796	5.130	62.931
11	1.075	3.071	67.150	1.075	3.071	67.150	1.476	4.218	67.150
12	.970	2.772	69.922						
13	.877	2.506	72.427						
14	.820	2.341	74.769						
15	.745	2.129	76.897						
16	.703	2.010	78.907						
17	.677	1.934	80.841						
18	.625	1.786	82.627						
19	.618	1.767	84.394						
20	.576	1.646	86.040						
21	.555	1.587	87.627						
22	.499	1.426	89.053						
23	.464	1.325	90.378						
24	.432	1.234	91.612						
25	.382	1.092	92.704						
26	.373	1.066	93.769						
27	.332	.948	94.718						

28	.325	.929	95.647						
29	.314	.898	96.545						
30	.258	.736	97.281						
31	.240	.687	97.968						
32	.231	.660	98.628						
33	.214	.611	99.239						
34	.135	.385	99.624						
35	.132	.376	100.000						

Extraction Method: Principal Component Analysis.

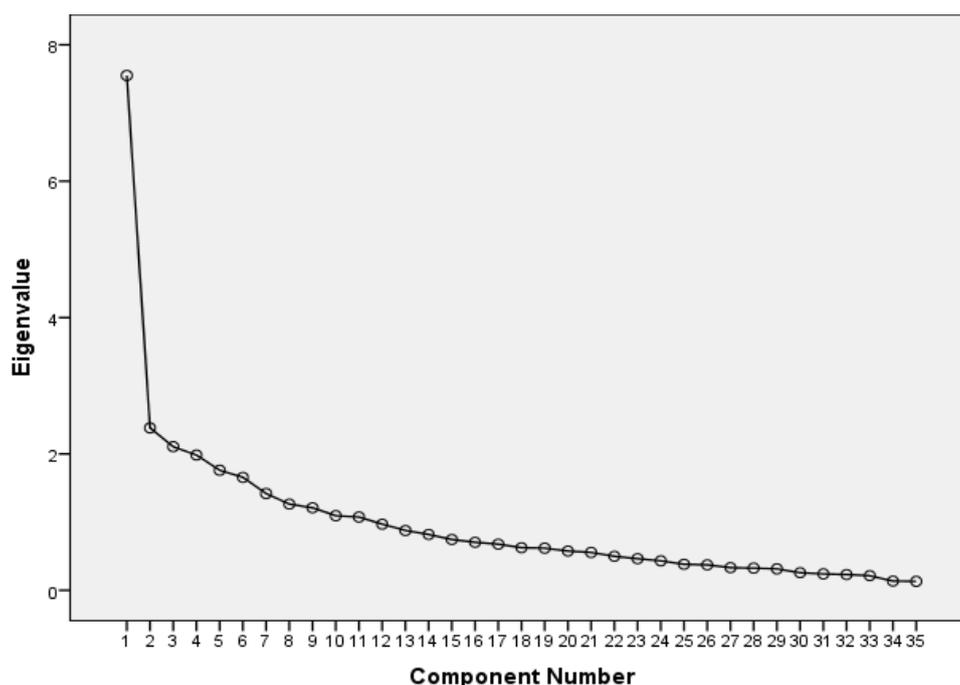


Figure 1: Showing Scree Plot

The above figure explains the factors which are above Eigenvalue more than 1. The graph infers that after factor 1 there has been a sharp change in the curve which indicates each successive factor are accounting for smaller variations.

Rotated Component Matrix

Rotation is a mathematical procedure that rotates the factor axis to produce the results that are more interpretable, and it helps in identifying and defining the factors. It makes the loading patterns clear & easier to identify. The whole purpose of the rotation is to create the simple structure, if it's achieved through rotation then it will be easy to interpret so that we can make sense of the factor loadings. The factor loading is suppressed to 0.4, which means all the loadings which are above 0.4 are considered for the analysis. This helps in filtering the weak components and considering them. Varimax rotation method, explain the variables as the cluster to a particular group. The items with the highest loading are sorted in the rotated component matrix which will help to combine the variables into a variable.

Table 5 - Rotated Component Matrix

	Component										
	1	2	3	4	5	6	7	8	9	10	11
Responsible Sales person	.716										
Accessibility of distributor	.708										
Communication of new products	.653										
Quality of products	.617										
No. of Variants	.526										
Return Policy		.785									
Complaints Handling		.719									
Expired products policy		.690									
Scope of feedback		.689									
Shelf space			.770								
Display racks			.747								
Emergency Order capturing			.623								
Service Norms				.773							
Distribution Network				.757							
Availability of SKU				.690							
SKU recommendation by sales person				.651							
Packaging					.766						
labelling					.749						
Replacement of old stock					.533						
Reference with sales person						.779					
Relationship with Company						.753					
On time Order taking						.616					

Schemes and Discounts							.671				
Frequency of sales person visit							.638				
Credit facility							.636				
Margins								.753			
On time Delivery								.702			
POP ads								.476			
Customer Demand									.705		
advertisements									.690		
Promotional activities									.664		
Virtual Payment option										.886	
Registration Procedure										.825	
Brand Image of products											.700
Advice of sales person											.700
Extraction Method: Principal Component Analysis.											
Rotation Method: Varimax with Kaiser Normalization.											
a. Rotation converged in 9 iterations.											

Consolidated Factor Analysis

The consolidated factor analysis is framed with the loaded factors which are having the value of more than 0.4 of 35 variables. The 11 factors which are extracted from the rotated component matrix are named in the consolidated factor analysis i.e. Table 10. For each factor, the reliability test is also taken. Cronbach's Alpha is more than 0.5 for all the factors in the study. Most of the factor is also having the reliability of 0.7 which is high.

Table 6 - Consolidated factor analysis

Factor Name	Variable Name	Loading value	Cronbach's Alpha	Total Variance Explained
	Responsible Sales person	.716		
	Accessibility of distributor	.708		

Product	Communication of new products	.653	.795	7.738
	Quality of products	.617		
	No. of Variants	.526		
Post Purchase Facilities	Return Policy	.785	.761	7.428
	Complaints Handling	.719		
	Expired products policy	.690		
	Scope of feedback	.689		
Instore Advertisement	Shelf space	.770	.775	7.181
	Display racks	.747		
	Emergency Order capturing	.623		
Distribution with availability	Service Norms	.773	.739	6.843
	Distribution Network	.757		
	Availability of SKU	.690		
	SKU recommendation by sales person	.651		
Wrapping	Packaging	.766	.746	6.737
	labelling	.749		
	Replacement of old stock	.533		
Relationship	Reference with sales person	.779	.657	5.603
	Relationship with Company	.753		
	On time Order taking	.616		
Frequency of salesperson visit	Schemes and Discounts	.671	.585	5.454
	Frequency of sales person visit	.638		
	Credit facility	.636		
Profitability	Margins	.753	.635	5.419
	On time Delivery	.702		
	POP ads	.476		
Customer Demand	Customer Demand	.705	.635	5.398
	Advertisements	.690		
	Promotional activities	.664		
Payment mode	Virtual Payment option	.886	.793	5.130
	Registration Procedure	.825		
Brand Image	Brand Image of products	.700	.529	4.218
	Advice of sales person	.700		

Factor Description

Product

The factor is named as the Product because the variables in the first factor are related to product dimensions. Hence, the factor is named as Product. The factor has the highest number of variables i.e. out of 35, five variables are loaded. Product factor explains the highest total variance percentage which is 7.738. The resulted Cronbach's Alpha of the factor is 0.795 which is acceptable. Product dimensions include the quality of the product, communication of new product and number of variants. Hence, retailers preferred product as a highly important factor for the satisfaction of retailers.

Post Purchase Facilities

Through Factor analysis, the Post Purchase Facilities dimensions resulted in the second factor. The factor is named as the Post Purchase Facilities, as the variables loaded in the factor are related to the post-purchase. The factor includes the four variables out of 35 variables. The second factor has the total variance percentage of 7.428, which represents that Post Purchase Facilities explains 6.805 percent of the total variance. The resulted Cronbach's Alpha of the factor is 0.761 which is acceptable. Many retailers face the problem of outdated stock and returning of damaged products. The factor has to be considered by the companies while serving the retailers as we can see it is the second most important factor to satisfy the retailers.

Instore advertisement

The factor is named as the Instore advertisement, seeing that the variables loaded to the factor are related to it. Three variables are loaded in the factor out of 35 variables. Instore advertisement factor has a total variance percentage of 7.181. The reliability of the factor resulted in Cronbach's Alpha is 0.775, which is acceptable. Instore advertisement dimensions include variables like display racks and shelf space. The variable emergency order capturing by the distributor is also loaded in the factor, which is also very much important to satisfy the retailer. Still, the Instore advertisement is a highly important factor for the satisfaction of the retailer. As the shelf space in the outlet is very low, retailer demand for the racks as well as the company needs to provide display racks to keep their respective products.

Distribution with availability

The fourth factor resulted in four variables out of 35 variables. The factor is named as the Distribution with availability which means that the variables in the factor loaded are related to the availability of a particular product with the distributors. The factor explains the total variance of 6.843 percentage. The resulted Cronbach's Alpha is 0.739, which is acceptable. Distribution with availability dimension explains the variables like availability of SKU, distribution network, service norms and SKU recommendation by the salesperson. The retailer asks for particular SKU for the distributor, as the retailer has belief and scope that he/she can

sell that. If the distributor couldn't supply the particular SKU then the retailer will not be happy. Therefore, Distribution with availability is one of the important factors for retailer satisfaction.

Wrapping

Factor analysis resulted that the fifth factor with just three variables out of 35 variables. The factor is named as Wrapping as most of the variables resemble it. Wrapping has explained the total variance of 6.737 percentage. Cronbach's Alpha resulted in 0.746, hence the reliability of the factor is acceptable. Wrapping dimensions include variables like packaging and labelling. The quality of the package is almost very important as the retailer keep the stock until the product is sold or the date of expiry, here, we can also observe that labelling part. Most of the products in the FMCG sector are of the limited period thus, the date of expiry and another related content labelling on the package is major. The wrapping factor also an important factor for the satisfaction of the retailer.

Relationship

Relationship factor is named for the sixth factor, where the relationship with the salesperson and the company is one of the most important parts of every retailer. There are three variables loaded in Relationship factor out of 35 variables. Relationship factor explains the total variance of 5.603 percentage. The reliability test of Cronbach's Alpha resulted in 0.657, which is acceptable. Relationship dimension simply can be defined as the channel relationship too. The variables are the relationship with the company and the reference with the salesperson. As these two also the part of the distribution channel. The retailer's feel satisfied while they have a good relationship with the company as well as the salesperson. The third variable is on time order taking when you have a good relationship the timely order will continue.

Frequency of salesperson visit

Factor analysis loaded the seventh factor with three variables out of 35 variables in the study. The factor is named as the Frequency of sales person visit. The greater number of times a salesperson visits the outlet, the retailers need not keep a high amount of stock and retailers need not worry. Frequency of salesperson visit factor explains the total variance of 5.454 percentage. The resulted Cronbach's Alpha is 0.585, which is acceptable as it is more than 0.5. The variables Credit facility and schemes & discounts are loaded in the factor. The credit facility is an important variable for the satisfaction of retailer still most of the retailers don't choose to have it. The schemes & discounts provided by the companies, the retailers feel it as just added advantage, even though the retailer purchase the same amount of goods. Thus, for the satisfaction of the retailer Frequency of salesperson visit is one of the important factors.

Profitability

Most of the companies feel that the factor for retailer satisfaction is foremost is margin. Whereas we can see that the factor analysis loaded the margin as the eighth factor of retailer

satisfaction. The factor is named as the Profitability. There are three variables which are loaded in the factor out of 35 variables. The total variance explained by the factor is 5.419 percentage. The resulted Cronbach's Alpha is 0.635, which is more than 0.5 i.e. accepted. Profitability dimension is margins, where most of the retailers feel that margin will just important factor in satisfaction but it is not highly important. The variable on time delivery is loaded, even if a retailer gets the high margin if the goods are not supplying on time then it is no use. The third variable in the factor is POP ads where the retailer feel it is just ok to keep those ads but which will not satisfy them utmost. Therefore, Profitability is an important factor for the satisfaction of retailers.

Customer Demand

Every sale of the product will start with purchasing of the product by the customer. If the customer demand is not there then the sale of the particular product will not happen then retailer satisfaction will also be in negative. Here, the ninth factor is named as Customer Demand, as the variables loaded in ninth factor is related to it. Customer Demand factor explains the total variance of 5.398 percentage. The reliability test of Cronbach's Alpha resulted in 0.635, which is acceptable. The variables like promotional activities and advertisements are loaded in the factor which as the lowest loading value. Retailers feel that the advertisements by the companies will have less important in their satisfaction as it has loaded in the ninth factor. The customer demand is very important but for the satisfaction of the retailer, the retailer is not feeling customer demand as the foremost factor for their satisfaction.

Payment Mode

The tenth factor is named as Payment Mode, the variables in the factor loaded are related to Payment Mode. The factor loaded only two variables out of 35 variables in the study. The factor explains the tenth most total variance of 5.130 percentage. Cronbach's Alpha has resulted in 0.793, which is more than 0.5 and it is acceptable. The variable registration procedure is also loaded in the Payment Mode factor where the retailers feel that registration of themselves with the company is not very much important variable for their satisfaction. Payment Mode factor variable is virtual payment option, we can see in the highway retailers most of them are not tech savvy and not very much used for these virtual payment modes thus it really very less important for their satisfaction.

Brand Image

Brand image is one of the aspects where the retailers accept the product to keep in their outlet. Here, the two variables are loaded out of 35 variables in the eleventh factor. The factor is named as Brand Image. The total variance explained by the factor is 4.218 percentage. The resulted Cronbach's Alpha is 0.529 which is very much near to 0.5 little poor variables but acceptable. The variable Brand image of the company is not highly important for the retailer's satisfaction as it is loaded in the eleventh factor. Another variable advice from the salesperson has also loaded which retailers see as less important. The retailer feels they know the amount of stock

to be taken and advice from salesperson really may not satisfy them. Brand image factor is important in the satisfaction of the retailers but in the last part.

Section 3 – Satisfaction Analysis

Table 7 - Overall Satisfaction Score of the Highway Retailers

S.no	Company Name	Overall Satisfaction Score	Position
1	ITC	4.04	1
2	PepsiCo	3.54	2
3	Haldiram's	3.52	3
4	Britannia	3.47	4
5	Parle	3.43	5
6	HUL	3.17	6
7	Procter and Gamble	3.03	7

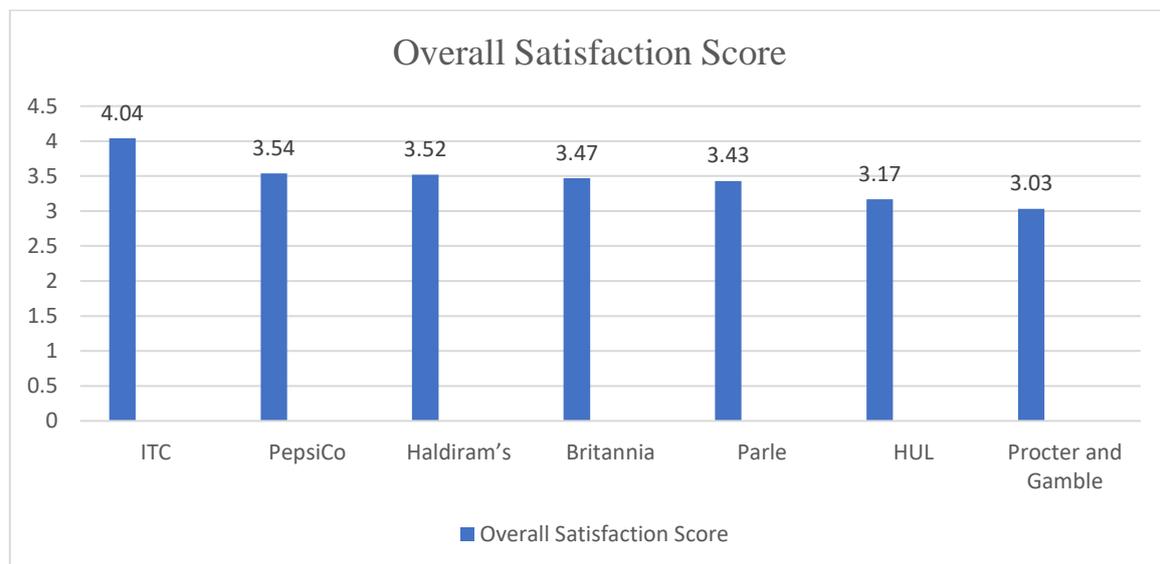


Figure 2: Showing Overall Satisfaction Score

Highway market in India is very different from the other markets. The FMCG companies in India are majorly focused on rural and urban market. The highway market is related to the rural market. Where in the highway market (Table 9) we can observe that 44.5 % of the respondents are Dhaba's. Which clearly define that the products like personal care and household are not much focused on these outlets. The companies listed in Table 07 are some of the top FMCG companies in India. The respondents were asked to rate their response from Highly dissatisfied to Highly satisfied with a 5-point Likert scale. The outlets in the highway market are majorly focused on two to three product categories one is biscuits and another one is snacks as well as the confectionery.

ITC has the highest overall satisfaction score when compared to other companies. The scores show that ITC having the overall satisfaction score of 4.04 whereas PepsiCo tops second with

a score of 3.54. ITC has Bingo! Mom's Magic, and Candyman, etc. which made ITC serve each of the outlet in the highway market including the pan shop and a tea shop. On the other hand, the market leader in the snack market Lays is also having a distinct position in serving the highway retailers through their beverages distribution system.

Overall satisfaction of the retailers towards Haldiram's scored is 3.52 which near to the above the neutral and retailers are nearly satisfied with the Haldiram's company. Both HUL and Procter & Gamble are not in biscuits and snacks part and thus, it resulted in 3.17 and 3.03 respectively, these two companies' services are neither satisfied nor dissatisfied by the retailers. The two companies Britannia and Parle scores are 3.47 and 3.43 respectively. Hence, the retailer's overall satisfaction is neutral towards these two companies.

CONCLUSION

The objectives of this study are to know the factor which will influence the highway retailer satisfaction and also know to the overall satisfaction of the highway retailers towards the FMCG companies. The statistical tool exploratory factor analysis resulted in eleven independent sets of underlying factors influencing the highway retailer satisfaction they are: Product, Post Purchase Facilities, Instore Advertisement, Distribution with Availability, Wrapping, Relationship, Frequency of Sales Person Visit, Profitability, Customer Demand, Payment Mode, Brand Image. These eleven constructs which will influence the highway retailer satisfaction. Thus, companies have to focus on these factors while serving the retailer to make them satisfy.

The study resulted in eleven factors which is almost a very big number, however, for the satisfaction of the retailer, the study justifies these factors that they influence the retailer satisfaction. Each of the factors has a Cronbach's Alpha value more than 0.5 which is acceptable. The results are more suitable to the retailers situated on the highway and also, we can observe that Virtual Payment Option has resulted as the tenth factor of influencing the retailer satisfaction which may not be same in case of city or town retailers.

The overall satisfaction of the retailers with respect to some of the FMCG companies are considered in the study. ITC has the highest score and the next highest score is PepsiCo. Thus, retailers feel their satisfaction towards ITC and PepsiCo is satisfactory.

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