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## RESEARCH ARTICLE

### AN EMPIRICAL INVESTIGATION ON RETAILER SATISFACTION AND EXPECTATIONS TOWARDS AN FMCG COMPANY'S TRADE SERVICING

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#### INTRODUCTION

The exact relationship with a retailer can take several forms. Manufacturers may deal directly with retailers or they may supply them through distributors. In either manner, retailers will still expect various types of support to help them sell and promote a manufacturer's brand - the difference will simply be who supply the support to them is. Once you sign a distributor or engage a retailer to sell your products you're not done. In fact you're far from it. Each will expect you to be actively marketing your brand and products. Again, depending on the industry, this may be direct to consumer advertising, public relations, tradeshows, social media, or whatever comes next. They want to know that the brand is alive and well and growing. If you're promoting the brand then they know customers will come looking to buy it. This means consumer will ask retailers for it. And retailers will ask their distributors or deal directly with the manufacturer. It just goes without saying that channel partners will expect the manufacturer to promote their own brand - with very few exceptions to this rule. This study helps to identify the retailers expectation from the company and the factors which leads to their satisfaction. The study was done using a structured questionnaire and the responses were collected through that by which the retail owners in Madurai were asked for responses out of which 52 responses were acquired and the sample size accounts to 52. Thus the study is conducted based on the responses, analyzed and various factors were found which would directly or indirectly affect the sales of the company.

#### REVIEW OF LITERATURE

This paper titled "A Study On Customer Satisfaction Towards Toothpaste With Special Reference To Colgate" was published by Dr. T N Kavitha and A. Vanitha.

The main objective of this paper was to identify the various factors influencing customer in purchase of the toothpaste, to know the customer satisfaction level about the toothpaste. The research design used in this study is descriptive research design. Data was collected from 50 sample respondents. Data was collected by survey method, the survey was collected erode city in Tamilnadu, through structured questionnaire with five point rating scale questions. For distribution of questionnaire to the respondents random sampling method was used and to collect the respondents opinion, survey was taken among the selected sample respondents. After collecting the data from the respondents, it was analyzed using factor analysis, percentage analysis, and chi square method. The collected data include customer satisfaction towards Colgate toothpaste personal product details. The results from the study concluded the respondents expect only the related product along with the product as a discount/free gifts and advertisement must be given in every possible media in order to increase the market share of Colgate. This paper titled "Study of retailers satisfaction towards products and services offered by pepsi in Jodhpur city" was published by Manish Borana. This project report deals with Satisfaction of retailers towards products and services offered by Pepsi using the questionnaire for retailers.

The project is carried out depending on the various data which are obtained from both primary source (direct interview with retailers) and the secondary sources (the website of the company, books, and print media). The analysis is made studying the questionnaire and observation which was distributed among 300 Retailers to find their response about the various questions asked related to the satisfaction level and problems faced by them, conducted in Varun Beverages Ltd (Pepsi). The sampling method is using conveyance sampling, the total size of sample is 300 for retailers. The data and interpretation done through pie chart, percentage, bar diagram and table. The major findings of the study are related with the Pepsi products and services offered to retailers in Jodhpur city

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which includes the retailer’s stock more products of Pepsi soft drinks as compare to another company products. Retailers were also satisfied with the distribution network of Pepsi, information regarding new schemes and discounts. They were also satisfied with the sales person of Pepsi. The retailers were dissatisfied with the credit facilities provided by Pepsi in Jodhpur city. The conclusion of the survey is based on the objectives of the study i.e. The overall rating of the company's distribution is depending on the following factors: services of Pepsi, retailers satisfaction level towards Pepsi products and services and effective solution to the problems faced by retailers.

**MATERIALS AND METHODS**

This study was performed to find out the overall level of satisfaction of the retailers towards the FMCG company’s trade servicing and also to find out the customer perception and level of satisfaction towards the company’s trade services .The study uses descriptive research methodology. Descriptive research is used to describe characteristics and/or behavior of sample population. The data collection was done with the help of structured questionnaire. The data pertaining to this study were collected from the retailers through a structured questionnaire which contains the following variables : regularity of order taking and delivery ,salesman mannerism in the outlet ,his scheme explanation, merchandising activity ,promotional activities, scheme and margin satisfaction, required improvements and the Overall rating .The data was collected from 52 stores in Madurai which buy this FMCG’s products from the its distributors and sell them in their stores to the consumers.

**Limitations of the study**

- This study was limited to the region of Madurai city alone
- This study was limited to the trade servicing provided by three distributors in Madurai region

**Analysis and interpretation**

**Cronbach's Alpha**

Cronbach’s alpha value	N of Items
0.624	18

From the reliability test, the Cronbach’s alpha value is 0.793 and this indicates high level of internal consistency for the scale used.

The overall rating for the company’s distribution is dependent on the following

Factors:

- Regularity in the delivery of the ordered goods
- Regularity in collecting back the damaged / expired goods
- Salesman’s explanation of schemes and product specifications
- Profit margin given for toothbrush and toothpaste
- Existing credit facility given for the stores

**Multiple linear regressions:** Multiple linear regression was used to find out the degree to which these factors affect the overall rating of the company’s trade services.

(HYPOTHESIS) Ho: The regularity in goods delivery, salesman’s explanation, profit margin and the provided credit facility are not good factors in predicting the overall rating given by the retailers for the FMCG’s trade servicing.

Model	1
R	0.675
R Square	0.455
Adjusted R Square	0.382
Std. Error of the Estimate	0.544

The co-efficient of determination (R Square) is 0.455 and the significance of ANOVA (Significance F) is 0.002 Since it is lesser 0.05, we reject the null hypothesis (Ho) and accept the alternate hypothesis which states that the regularity in goods delivery, salesman’s explanation, profit margin and credit facility given are all a good factors in predicting the overall rating for the company’s trade services

Overall rating = 6.17 - (0.258 \* Regularity in the delivery of the ordered goods)

- (0.162 \* Regularity in collecting back the damaged / expired goods)
- (0.277 \* Salesman’s explanation of schemes and product specifications)
- (0.322 \* Profit margin given for toothbrush and toothpaste)
- (0.242 \* Existing credit facility given for the stores)

It can be inferred from the regression equation that when the value for any of the independent variables changes in one direction then the value for overall rating change in the opposite direction.

**Cross tabulation for satisfaction level in the target based incentive:** Crosstab was done in order to find out whether there is any difference across the type of outlets in the satisfaction level of the retailers for the target based incentive given by the company.

Type of outlet	Highly satisfied	Satisfied	Neutral	Highly dissatisfied
RE Wholesale	0.00%	9.10%	56.40%	34.50%
General Store	5.60%	38.90%	44.40%	11.10%
Kirana Store	0.00%	25.00%	50.00%	25.00%
Medical Store	0.00%	17.10%	7.10%	75.70%

**Interpretation**

Of all those who belong to RE wholesale, 34.5% of the retailers are highly dissatisfied with the target based incentive given for them, 56.4 % of them are either satisfied nor dissatisfied with the incentives given and 9.10% of them are satisfied. Of all those who belong to General store, 38.90% of the retailers are satisfied with the target based incentive given for them, 44.4% of them are either satisfied or dissatisfied with the incentives given and 11% of them are dissatisfied with the target based incentive given for them. Of all those who belong to kirana store ,25% of the retailers are highly dissatisfied with the target based incentive given for them, 50 % of them are either satisfied nor dissatisfied with the incentives given and 25% of them are satisfied with the incentives given. Of all those who belong to Medical store, 75.7% of the retailers are

highly dissatisfied with the target based incentive given for them, 7.10% of them are either satisfied nor dissatisfied with the incentives given and 17.10% of them are satisfied with the target based incentive given for them.

## RESULTS

Thus it can be seen that the retailers are satisfied with the profit margin given for toothbrush and existing facility and the retailers are not satisfied with the profit margin given for toothpaste and they expect a increased profit margin % for toothpaste. It can also be observed that that 44.4% of the retailers are satisfied and 5.8 % of them are highly satisfied with the trade services provided by the FMCG company, 40.3% of the retailers are neither satisfied nor dissatisfied with the trade services provided by the FMCG company and 9.5% of the retailers are not satisfied with the trade services provided by the company.

## DISCUSSION

It is observed that only 51 % of the salesman use their catalog / toothbrush holder during their visit to their store and thus its usage should be increased .It is found that almost 10% of the retailers are not satisfied with the time spent by the retailer in the outlet and hence the salesman should be asked to spend the necessary time in each of the outlet and 40% of the retailers claim that they haven't received sufficient merchandising products from the company and thus more display elements should be provided .The company's trade servicing has obtained an overall rating of 50 % satisfied, 20 % natural and hence the services offered should be improvised to increase the satisfaction of the retailer .

## Conclusion

Retailers connect brands with the end consumers and they influence the consumers in their decision making process. They are the most important marketing medium for shopper marketing. So it is necessary that these retailer's needs are given more importance. The average rating given for the company's trade services is 3.6 (out of 5) so in order to improvise that the company has to improve the quality of service offered to them. Though the level of satisfaction and expectation differs with each person but these individual expectations can be summed up and made to fall under a single factor .Thus these factors are identified through this study and the company should give attention to these factors and should convert these possible expectation into possibility.

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