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Extent of satisfaction of producers and consumers with respect to products and services of Safal and Reliance Fresh

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Abstract

Indian retail sector is highly fragmented and bulk of the business is in the unorganized sector. Organized retailing accounts for only three per cent in India. Recently, the market is becoming more and more consumer oriented and competitive in quality and availability of products and services. This investigation was aimed at assessing the extent of satisfaction of producers as well as consumers with respect to products and services offered by Safal and Reliance Fresh outlets. The study was conducted in the National Capital Region of Delhi and simple random sampling method was used to identify the respondents. The total sample size was 200 respondents comprising 100 farmers from both Safal and Reliance Fresh vegetable outlets and 100 consumers from both Safal and Reliance Fresh stores. Farmers' level of satisfaction was measured on a seven point continuum scale and the results were ranked based on percentage score values. Consumers' level of satisfaction was assessed by developing a schedule covering all the indicators of satisfaction such as quality of the produce, range of vegetable availability, hygienic condition of the store, prices offered, behavior of the employees, etc. Results from the study revealed that, 65 per cent of the farmers were satisfied with the payment methods, 62 per cent were satisfied with the prices offered by the collection center, 54 per cent of the farmers were satisfied with the market information provided by the collection center. Majority of the consumers expressed satisfaction with the quality, freshness, price and range of vegetable availability.

Keywords: Level of satisfaction, retail outlets, consumers, farmers, Safal, Reliance Fresh

Introduction

Traditionally, farmers used to sell their produce to markets or *mandis* located in nearby urban centers or cities due to lack of market infrastructure facilities. With the passage of time, there is improvement in transportation facilities, infrastructure development as well as emergence of organized retail market involvement provides lot of opportunities to farmers like providing seeds, giving suitable guidance, procuring the produce etc.

The Indian retail sector remained largely unorganized till the eighties. Corporate houses like Aditya Birla group, the Future *group*, Reliance Fresh etc. entered into procuring the farmers produce after recognizing the vast potential of the farming sector (Wani and Wani, 2011) ^[1]. The most organized and disciplined retailers are trying to maintain their own supply chain management to bring fresh and quality products to the store in urban area from root level farmers directly. (Monira, 2010) ^[2]. With the entry of organized retail markets in vegetable procurement similar to the one followed by Safal, organized retail is booming because consumers prefer to shop in retail stores rather than an open market in cities like Delhi. Rise in organized retailing would offer the consumers hygienic foods at competitive prices, compared to those offered by retailers in the kitchen markets, where commodities are sold mostly in unhygienic condition (Kashem, 2012) ^[3]. With a rising degree of homogeneity between merchandise offerings, supermarkets are increasingly turning to the delivery of effective customer services to render a competitive advantage (Ellram *et al*, 1999) ^[4]. Maintaining customer satisfaction is crucial for such retailers as they transact in a highly competitive world (Fonseca, 2009) ^[5].

With more and more consumers preferring retail markets for their daily consumption items like fruits and vegetables, consumers' satisfaction levels need to be studied. Therefore the present study focused on the satisfaction level of consumers on vegetables available at Safal and Reliance Fresh and also farmers' satisfaction on services provided by the collection centers of both Safal and Reliance Fresh.

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Methodology

The study was undertaken in the National Capital Region (NCR) of Delhi, where Safal and Reliance Fresh collection centres are in operation. Collection centres of both Safal and Reliance Fresh are located in Bakhtawarpur village of Alipur block in Delhi. Bakhtawarpur village is selected purposively because this is the only centre in Delhi where we find the collection centres of both Safal and Reliance Fresh. A list of all the farmers who are selling their vegetables to the collection centres was collected and from this list a random sample of 100 farmers was selected. 5 Safal and 5 Reliance Fresh vegetable stalls were selected purposively and from each of these stalls 10 consumers were selected, thereby a total of 100 consumers were selected from 10 stalls. Satisfaction level of the consumers was analyzed in terms of extent of satisfaction to the following indicators viz. freshness

of the produce, packing/packaging of the produce, product quality, range of vegetable availability, price etc. of retail vegetable markets of Safal and Reliance Fresh. This was computed using a seven point continuum scale, which ranged from highly satisfied to highly dissatisfied. Using the same continuum satisfaction level of the retail vegetable farmers was analyzed with respect to the services provided by the collection centers. Percentage score is used to analyze the data.

Results

The extent to which the farmers and consumers are satisfied with the organised retail markets of vegetables were analysed and the results are presented in the following two tables below.

Table 1: Extent of satisfaction of the retail producers about services provided by the collection centers (n=100)

S. No	Satisfaction level of Safal & Reliance Fresh farmers	Categories	Change indicators (%)
1.	Overall satisfaction about the collection center	a. Highly Satisfied	4.00
		b. Satisfied	67.00
		c. Somewhat satisfied	29.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	
2.	Payment methods	a. Highly Satisfied	
		b. Satisfied	65.00
		c. Somewhat satisfied	35.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	
3.	Prices offered	a. Highly Satisfied	4.00
		b. Satisfied	62.00
		c. Somewhat satisfied	34.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	
4.	Market information provided by the collection center	a. Highly Satisfied	
		b. Satisfied	54.00
		c. Somewhat satisfied	38.00
		d. Can't decide	
		e. Somewhat dissatisfied	8.00
		f. Dissatisfied	
		g. Highly Dissatisfied	
5.	Technical guidance provided by the collection center	a. Highly Satisfied	
		b. Satisfied	12.00
		c. Somewhat satisfied	81.00
		d. Can't decide	
		e. Somewhat dissatisfied	7.00
		f. Dissatisfied	
		g. Highly Dissatisfied	
6.	Behaviour of the employees	a. Highly Satisfied	8.00
		b. Satisfied	87.00
		c. Somewhat satisfied	5.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	

It was clear from the above table that 67 per cent of the farmers were satisfied with the overall performance of the collection center, 65 per cent of them were satisfied with the payment methods, 62 per cent were satisfied with the prices offered by the collection centers, 54 per cent of the farmers

were satisfied with the market information provided by the collection center, 38 per cent were somewhat satisfied. More than 80 per cent of the farmers were somewhat satisfied with the technical guidance provided by the collection center to the farmers and 87 per cent farmers satisfied with the behavior of

the employees working in Safal and Reliance Fresh collection centers.

Consumers' satisfaction with the vegetables available at retail stores of Safal and Reliance Fresh were analyzed and the results are presented in the table 2.

In order to avoid the ambiguity of consumers, overall satisfaction of the retail outlet was asked first. From the below table it was revealed that 73 per cent of the consumers were satisfied with the overall satisfaction of the retail outlets of both Safal and Reliance Fresh.

Table 2: Satisfaction level of vegetable consumers on organized retail outlets of Safal and Reliance Fresh: (n=100)

S. No.	Satisfaction level of Safal and Reliance Fresh consumers	Categories	Change indicators (%)
1.	Overall satisfaction	a. Highly Satisfied	2.00
		b. Satisfied	73.00
		c. Somewhat satisfied	25.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	
2.	Freshness of the produce	a. Highly Satisfied	4.00
		b. Satisfied	69.00
		c. Somewhat satisfied	27.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	
3.	Packing/packaging of the produce	a. Highly Satisfied	2.00
		b. Satisfied	31.00
		c. Somewhat satisfied	56.00
		d. Can't decide	
		e. Somewhat dissatisfied	9.00
		f. Dissatisfied	2.00
		g. Highly Dissatisfied	
4.	Product quality	a. Highly Satisfied	4.00
		b. Satisfied	67.00
		c. Somewhat satisfied	29.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	
5.	Range of vegetable availability	a. Highly Satisfied	
		b. Satisfied	21.00
		c. Somewhat satisfied	54.00
		d. Can't decide	
		e. Somewhat dissatisfied	18.00
		f. Dissatisfied	7.00
		g. Highly Dissatisfied	
6.	Price	a. Highly Satisfied	1.00
		b. Satisfied	43.00
		c. Somewhat satisfied	51.00
		d. Can't decide	
		e. Somewhat dissatisfied	2.00
		f. Dissatisfied	3.00
		g. Highly Dissatisfied	
7.	Hygienic condition of the store	a. Highly Satisfied	5.00
		b. Satisfied	67.00
		c. Somewhat satisfied	24.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	4.00
		g. Highly Dissatisfied	
8.	Trustworthy staff	a. Highly Satisfied	3.00
		b. Satisfied	77.00
		c. Somewhat satisfied	20.00
		d. Can't decide	
		e. Somewhat dissatisfied	
		f. Dissatisfied	
		g. Highly Dissatisfied	
9.	Any other	Availability of organically grown vegetables	32.00
		Availability of processed vegetables	12.00

With respect to freshness of the produce 69 per cent of the respondents express satisfaction while 37 per cent of the consumers were somewhat satisfied. About 56 per cent of the consumers were somewhat dissatisfied with the packaging of the produce while 31 per cent express satisfaction. Almost 67 per cent were satisfied with the vegetable quality, 54 per cent were somewhat satisfied with the range of vegetable availability and 51 per cent customers were somewhat satisfied with price of vegetables while 43 per cent express satisfaction. Nearly 67 per cent of the consumers express satisfaction with respect to hygienic condition of the store and 77 per cent express satisfaction to the staff trustworthiness. Similarly 32 per cent and 12 per cent of the consumers express disagreement with respect to unavailability of organically grown vegetables and processed vegetables respectively.

Discussion

The success of organized retail outlets depends on the quality of services and products they offered to the farmers and consumers. Farmers' satisfaction with respect to service offered by the collection centers of Safal and Reliance Fresh was assessed and the results indicated that most of the farmers were satisfied with the services provided except for technical guidance. Technical guidance was provided to the farmers only when they were in need, whereas market information was provided on daily basis. Payment of money was direct cash in case of Reliance Fresh collection center whereas Safal deposits the money in farmers account or by providing cheques. Therefore, most of the farmers expressed satisfaction towards the payment methods. Prices offered to farmers were more or less the same in case of both Safal and Reliance Fresh and the price was almost equal to that of Azadpur *mandi* (a local market almost 15 km from the study area).

In case of consumers, most of them were satisfied with the quality of vegetable availability, its freshness and price. With respect to price of the vegetables, only 43 per cent expressed satisfaction. Retail super markets need to pay more attention to appropriate and attractive packaging, providing different range of vegetables so as to provide satisfaction and more number of choices in vegetable purchasing. The concern about the higher prices for vegetables from consumers' point of view needs to be looked into at all levels so that their interest can also be taken care of.

Once the consumers' were satisfied with the produce quality, they agree to pay the premium price also. Huber *et al.* (2001)^[6] found that satisfied customers were willing to pay premium prices. As majority of the Delhites are highly educated, their concern towards health consciousness is also high, therefore some of the consumers expressed dissatisfaction with the unavailability of organically grown vegetables in the retail stores of Safal and Reliance Fresh.

Conclusion

Except with the technical guidance provided, most of the farmers were satisfied with the services provided by the collection centers of both Safal and Reliance Fresh. In case of consumers also majority of them expressed satisfaction towards the quality, hygienic condition of the stores, price, trustworthiness, staff and freshness of the vegetables, except for few who expressed dissatisfaction with the unavailability of organically grown vegetables. Hence, it is concluded that majority of the farmers and consumers were satisfied with the services and products provided by the Safal and Reliance Fresh outlets.

Since this study was conducted in only one state and with limited number of respondents, similar study may be carried out in other parts of the country on a large scale basis. Similarly, unorganised marketing was not investigated in depth in this research. Further, research in this area would be helpful in developing and implementing effective marketing strategies that would reduce involvement of middlemen and improve producers share in consumer rupee. Separate studies may be undertaken to find out the socio-economic impacts of vegetable growers in peri-urban agriculture.

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