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FACTORS LEADING TO CUSTOMER SATISFACTION IN DAIRY INDUSTRY: A STUDY IN INDIAN PERSPECTIVE

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Abstract: *A key characteristic of many, if not all, of the very successful organisations is a supply chain that is truly connected to their customers. A customer driven supply chain starts with understanding the customer requirements, senses and responds rapidly to demand signals from all partners. The challenge is to successfully put in place the organisation structure, systems and processes which tackle the root causes of supply chain inefficiency. The importance of customer relationship management (CRM) within the supply chain is vitally important. The research paper attempts to find out the factors leading to customer satisfaction in Indian dairy industry. The study includes factor analysis in order to group the various practices into a smaller set of homogeneous factor. As per the result of the factor analysis performed on the agreement continuum of the customer questionnaire, five factors emerged prominently, i.e. customer services, customer problem solving capability, value for money offers, product quality, and product & service reliability. The most prominent factor that emerged is the customer services, followed by customer problem solving capability, value for money offers, product quality, and last factor is product & service reliability.*

Keywords: *Customer Relationship Practices (CRP), Customer Satisfaction, Supply Chain Management (SCM), Indian Dairy Industry, Factor Analysis*

INDIAN DAIRY INDUSTRY

The dairy industry has played a prominent role in strengthening India's rural economy. It has been recognised as an instrument to bring about socio-economic transformation. The white revolution has transformed India's dairy industry. It has increased the availability of milk as well as provided a reliable source of income and employment to millions of rural families, thus improving the quality of their lives. Presently, India has the distinction of being the largest producer of milk in the world for which the credit goes to 'Operation Flood' that has linked rural farmers to urban cities. India in the early 1950s was importing around 55000 tonnes of milk powder annually to meet the urban milk demand. The most significant developments in the dairy industry have taken place in the last century and are still improving day by day. According to Indian Dairy Industry Outlook 2020, India is the world's largest milk producer, accounting for around 17% of the global milk production. The total amount of milk produced has tripled from 23 million tonnes in 1973 to 95 million tonnes in 2008, and an expected production level of 135 million tonnes by 2015 (Indian Council of Agricultural Research, New Delhi, 2015), but the projected demand for milk by 2021-22 is estimated at 180 million tonnes, which implies that milk production would ha ve to increase further. Due to their rich nutritional qualities, the dairy products' consumption has been growing exponentially in the country. With the rising use of dairy products, the secondary market for dairy products has also been flourishing. Dairying in India was largely unorganised before Independence. Crop farming and dairy farming are part of food production for human population in India. But in recent years, dairying has emerged as an important instrument for providing employment and additional income to rural households. Organised dairying started in a small way, when military dairy farms and creameries were established towards the end of 19th century to meet the demand of the armed forces and their hospitals.

Milk and its products were produced mainly for home consumption and to some extent, for the local market. Processing and refrigeration have, however, brought about significant changes in the pattern of production and marketing of milk. Co-operatives have generally been found to be the successful form of organisation for production, procurement, processing and marketing of milk in the world. The first co-operative dairy society in India was established

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at Allahabad (UP) in 1913. The Calcutta Milk Supply Societies Union, established in 1919, was the earliest co-operative organisation in the country for the supply of clean, pasteurised milk to consumers. The establishment of milk co-operatives has been the most important feature of the daily industry in India during the post-Independence period. In the beginning, milk co-operatives mostly collected and sold raw milk to local consumers. But, the first large-scale and systematic breakthrough in dairy co-operatives in India was made in 1948 by the Kaira District Co-operatives Milk Producers Union Limited at Anand. The basic concept at Anand was different from the previous co-operatives. The Kaira Cooperative Union established a marketing agency named Gujarat Cooperative Milk Marketing Federation (GCMMF), which follows a three-layer structure that collects processes and markets dairy products at village, district and state levels. The district units also provide technical support to the milk producers and a range of services such as fodder, veterinary care, artificial insemination, education and training. These milk cooperatives of Gujarat today own the GCMMF, the largest food products business in India. GCMMF is also the largest exporter of dairy products from India, and owns the brand Amul, which in a vernacular language means "highly valuable or priceless".

Supply Chain Management Practices with Reference to the Dairy Industry of India

Milk supply chains are more concerned with controlling the milk quality and supply fluctuations which are unique to this sector. Perishable goods like milk require a time-efficient supply chain. This perishability factor can affect the milk supply chain. Supply chain management has been seen as a source of gaining competitive advantage in the business world. Due to pressures from increased competition resulting from the globalisation of supply, processing and distribution networks, high levels of service expectations and competitive pricing, the supply chain management has become more important in recent years. For the success of a dairy industry efficient supply chain management is a pre-requisite. Thus, the supply chain performance of the processing units is a deciding factor for the success of the unit. The Indian supply chain for milk products is affected by abnormal wastage and poor handling. The wastage occurs because of multiple points of handling. Shortage of cold storage facilities and refrigerated transport equipment leads to inefficiencies in handling milk products. There is a compelling case for appropriate infrastructure for storage and transportation, such as temperature-controlled warehouses and vans. By practicing improved supply chain management practices, there will be a significant reduction in the wastage of milk and milk products, which in turn will benefit both the farmers as well as consumers by means of increased returns and decrease in price, respectively. Supply chain management (SCM) over the past two decades had played an important role in emphasising the interdependence of buyer and supplier firms working collaboratively to improve the performance of the entire supply network, something that has generated huge interest in both the academia and industry. In particular, with the increasing trend of business globalisation how a firm gains and retains its competitive advantage while facing domestic and international challenges has drawn a lot of attention (Huo, Selen, Yeung, & Zhao, 2008; Kannan & Tan, 2005). SCM provides benefits to suppliers and customers by enhancing upstream and downstream linkages.

Additionally, firms have begun to integrate their external customer-firm-supplier relationships and internal contextual factors as a means to improve customer satisfaction, firm performance, and firm competitiveness (Ou, Liu, Hung, & Yen, 2010). SCM has been recognised as an important issue and has generated a substantial amount of interest among managers and researchers. Since the 1980s, SCM has been regarded as one of the most effective ways for firms to improve their competitive advantage. SCM has been documented to be positively associated with enhanced competitiveness and improved firm performance (Li, Ragu-Nathan, Ragu-Nathan, & Subba Rao, 2006). In addition, SCM has been widely considered to be an effective management tool for firms to maintain business stability, growth, and prosperity. Supporting this claim, Harrison and New (2002) in their report show that 70 percent of the respondents thought that their supply chain strategy was currently important in achieving competitive advantage, and 91 percent thought that this would be the case in future. The Indian dairy industry has been dramatically moving towards supply chain management because of certain significant changes that have affected the industry in recent years. Rapid development of globalisation, shifting consumer demand, dismantling state support schemes and technological have accelerated the industrialisation of dairy industry. Various literatures show that there are various SCM practices which have a significant role in the dairy industry in recent years, because of noteworthy changes taking place in the market environment. Effective supply chain management (SCM) has become a potentially valuable way of securing competitive advantage and improving organisational performance since competition is no longer between organisations but among supply chains. In fact, firms can no longer competitively survive in isolation of their suppliers, customers and other entities of the supply chain.

Additionally, SCM also improves market responsiveness, reduction in logistics cost, adds economic value and ensures optimum utilisation of capital. Substantially, SCM has been considered one of the critical areas in the development of dairy industry to meet the global market demand.

Role of Customer Relationship Management (CRM) in the Indian Dairy Industry

A key characteristic of many, if not all, of the very successful organisations is a supply chain that is truly connected to their customers. A customer driven supply chain starts with understanding the customer requirements, senses and responds rapidly to demand signals from all partners. The challenge is to successfully put in place the organisation structure, systems and processes which tackle the root causes of supply chain inefficiency. The importance of customer relationship management (CRM) within the supply chain is vitally important. Over the past decade, there has been an explosion of interest in customer relationship management (CRM) by both academics and executives. The term "customer relationship management" emerged in the information technology (IT) vendor community and practitioner community in the mid-1990s. It is often used to describe technology-based customer solutions, such as sales force automation (SFA). CRM is a cross-functional organisational process that focuses on establishing, maintaining, and enhancing long-term relationships with attractive customers (Payne & Frow, 2005; Parvatiyar & Sheth, 2001). CRM is a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. It provides enhanced opportunities to use data and information to both understand customers and create value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology, and applications (Payne & Frow, 2005). CRM capabilities are embedded in CRM activities in organisational processes, and they reflect a firm's skills and accumulated knowledge to "identify attractive customers and prospects, initiate and maintain relationships with attractive customers, and leverage these relationships into customer level profits" (Morgan, Vorhies, & Mason, 2009). Thus, CRM capabilities are reflected in major CRM activities (Srivastava, Shervani, & Fahey, 1999; Reinartz, Krafft, & Hoyer, 2004), such as customer interaction management (e.g. customer identification, customer acquisition and customer retention), customer relationship upgrading (e.g. cross-selling and up-selling), and customer relationship win-back (re-establishing relationships with lost but profitable customers) (Reinartz *et al*., 2004; Parvatiyar & Sheth, 2001). In an era of rapidly changing technology and highly unpredictable markets, manufacturers must enhance their innovation capabilities to satisfy market demands and customer preferences in order to maintain a long-term competitive advantage (Panayides, 2006). Good customer relationship management (CRM) between manufacturing firms and industrial customers not only retains customers but also encourages them to provide important suggestions for improving products and service (Ramani & Kumar, 2008). CRM helps firms refine their knowledge about customers' tastes and preferences. The effectiveness and efficiency of CRM are increasingly recognised as means for developing innovation capability and providing a lasting competitive advantage (Ramani & Kumar, 2008; Sahay & Ranjan, 2008). A good CRM strategy can increase sales by improving relationships with customers, thus enhancing customer loyalty (Huang & Lin, 2005). Sin, Tse, and Yim (2005) indicated that CRM involves activities that manufacturers practice to satisfy customer needs, identify customer preferences, resolve customer complaints, provide after-sale service, and establish long-term relationships with their customers. In addition, McEvily and Marcus (2005) suggested that firms have to build mutual trust, information sharing, and joint problem solving with their customers to acquire competitive capabilities. Largrosen (2005) stressed on the importance of customer involvement in operations, while Chen, Paulraj, and Lado (2004) argued that communication and long-term relationships with customers are critical to the development of supply chain management. Researchers also classify various CRM mechanisms into internal and external programmes. Internal programmes emphasise on organisation structure, culture, and knowledge management, while external programmes involve interaction with customers (e.g. information sharing and customer involvement). Lin, Chen, and Chiu (2010) elaborated five most popular CRM activities which help in gaining competitive advantage and enhancing organisational performance. These are:

(a) **Information Sharing:** It refers to the sharing and exchange of essential and exclusive information through interactive activities between manufacturers and their customers. The commonly shared information includes market demand, customer preferences, sales promotion, and new product introduction.

(b) **Customer Involvement:** It is related to customer participation in new product development (NPD) activities, technical meetings, supply chain annual conference, and market evaluation conferences. Customers normally provide market trend/direction and technical support in the process, which should lead to better understanding of future demands (Sin *et al*., 2005).

(c) **Long-term Partnership:** It is a business relationship with trust and commitment between two firms. Both firms must share similar goals and pursue mutual profits on a reliable and dependable basis (Mohr & Spekman, 1994). Numerous studies have proven that a long-term partnership entails high degrees of commitment and mutual trust in which both parties are

willing to provide resources, in a fair and dependable manner, in order to maintain and reach the goals of both parties (Handfield & Bechtel, 2002).

(d) **Joint Problem Solving:** It refers to collaboration between manufacturers and customers in solving problems together and sharing responsibilities when they encounter difficult or unexpected situations.

(e) **Technology-based CRM:** It involves manufacturers using computer technologies to facilitate various CRM activities and actively offer technology assistance to customers, including data storage, data mining, and CRM software systems.

So, it can be said that CRM is a process of providing significant value-added benefits to the supply chain in a cost effective way leading to a stable and mutually profitable relationship. A successful implementation of SCM not only directly improves organisational performance, but also indirectly enhances customer satisfaction.

RESEARCH METHODOLOGY

Research Problem

The Indian dairy industry has played a prominent role in strengthening India's rural economy. It has been recognised as an instrument to bring about socio-economic transformation. The 'white revolution' has transformed India's dairy industry. It has increased the availability of milk as well as provided a reliable source of income and employment to millions of rural families. India has the distinction of being the largest producer of milk in the world, for which the credit goes to the Operation Flood programme that has linked rural farmers to urban cities. Keeping pace with the country's increasing demand for milk and milk products, the industry has been growing rapidly. It has been seen that the Indian dairy industry has come a long way over the years from a milk production of 55.7 MT in 1991-92 to 135 million tonnes by 2015, and it is estimated to reach180 million tonnes by 2021-22. Presently, the Indian dairy market is growing at an annual rate of 7 percent. Despite the increase in production, a demand-supply gap has become imminent in the dairy industry due to the changing consumption habits, dynamic demographic patterns, and the rapid urbanisation of rural India. It means that there is an urgent need for a higher growth rate of the dairy sector to match the rapidly growing Indian economy. Despite being one of the largest milk producing countries in the world, India accounts for a negligible share in the worldwide dairy trade. So, in order to survive and flourish in the highly competitive business environment of the global dairy industry, companies are now trying to improve their organisational performance and achieve competitive advantage. The entire competition in the dairy industry revolves around two prominent factors i.e., quality and availability. Quality and availability of dairy products become crucial due to the high degree of product perishability, which requires altogether a different kind of supply chain commonly known as 'Cold Chain'. So, the research problem of this research basically revolved around the supply chain management practices of the dairy industry. In a nutshell, the problem of the research is the optimisation of the dairy industry supply chain so as to meet the future domestic requirements, and remain competitive in global markets. The present research study tried to find the actual happenings, and accordingly analyse the mechanism for betterment in those processes so as to create a win-win situation for all the stakeholders of the dairy supply chain.

Objectives of the Study

The objective of the study is derived from the research problem. The objective of the study is given below:

- To identify the factors leading to customer satisfaction in Indian dairy industry.

Research Design

The proposed research is a kind of exploratory study, consisting of finding out the nitty-gritty of the Indian dairy supply chain management, followed by a descriptive research design which helps in finding out the factors leading to customer satisfaction in Indian dairy industry.

Sample Design

The supply chain in Indian dairy industry starts from milk production which is done by large scale, medium scale and small or marginal milk farmers. It is further executed by various milk cooperative societies for moving the same to the dairy processing plants, where storing, chilling, processing, packaging, and transportation is performed. Finally, the processed milk and milk products are distributed and marketed to various milk retails outlets and supermarket, so as to reach to their end consumers. The research is being carried out with one identified group of respondents, which are basically the supply chain members of the dairy industry:

- Customers (Consuming milk and milk products)

Population

The proposed research covers one group of respondents which are given below:

- First group of respondents (Customers): All the customers who are consuming milk and milk products in UP and New Delhi & NCR.

Sample Frame

The sample frame of the research is identified as:

- Fourth group of respondents (Customers): All associated customers with registered milk processing units in UP and New Delhi & NCR.

Sample Units

The sample units of the research are as follows:

- First group of respondents (Customers): Individual customers.

Sampling Techniques & Size of Sample

- First group of respondents (Customers): Ten customers were picked randomly from each selected retail outlet. Thus, the size of customer sampling was 1000 individuals.

Table 1: Sampling Techniques & Size of Sample

Respondents	Location	Total size of sample
Milk and milk products consumers	Milk retail outlets (100 milk retails outlets is selected)	10 customers were picked randomly from each selected retail outlet. Thus, the size of customer sampling was 1000 individuals

Data Collection Design

'Data collection' is a term used to describe a process of preparing and collecting data. The purpose of data collection is to obtain information so as to solve a research problem. Data collection design includes a method, source and type of data collection for the research. For the present study, the researcher has used two techniques for data collection i.e. primary data collection and secondary data collection, which are elaborated below:

Primary Data Sources

There were 27 questions common in the questionnaire for the customers. Primary data was collected through a structured questionnaire for one category of respondents i.e. customer. The researcher interviewed respondents personally in order to increase the accuracy and observe the phenomenon closely. Further, whenever and wherever it was felt that further clarification was required, in-depth interviews were also conducted by the researcher.

Secondary Data Sources

Secondary data was collected through different magazines, journals, newspapers, central government agencies as well as state government agencies connected to the Indian dairy industry. Various libraries, such as Central Library of BHU and Faculty libraries of IM-BHU, IIT-Delhi, IIM-Ahmadabad, IIITM-Gwalior and online journal websites such as sciencedirect.com, emeralding.com and jstor.org, sage.org were consulted for the literature review.

Pre-testing and Administering the Questionnaire

The researcher pre-tested the questionnaire by administering it to experts in academics and dairy companies. The academicians were senior professors of the Institute of Agricultural Sciences, BHU, especially the dairy department, and the Institute of Management Studies-BHU. The industry experts were managers who work in dairies companies such as Parag dairy etc. The questionnaire was 'self-administered' to the respondents. An in-depth interviewing technique was used for debriefing. In the protocol method, the respondents were asked to "think aloud' as they were filling out the questionnaire. The researcher recorded these thoughts of the respondent. Finally, based on the results of pre-testing, the questionnaire was modified in line with the suggestions received.

Measurement and Scaling Design

'Measurement' means assigning numbers or other symbols to characteristics of objects according to certain pre-specified rules. The most important aspect of measurement is the specification of rules for assigning numbers to characteristics.

For Customer

Primarily, one type of scale was used, agreement continuum which helped in accessing the response of the respondents as described below:

Agreement Continuum

1= Strongly Disagree, 2= Disagree, 3= Indifferent, 4= Agree, 5= Strongly Agree

Validity and Reliability

There are two major criteria for evaluating a measurement too: 'validity' and 'reliability'. 'Reliability' is the consistency of measurement, or the degree to which an instrument measures the same way whenever it is used under the same conditions with the same subjects. In short, it is the repeatability of the measurement.

The reliability of the study was checked by the internal consistency method. Internal consistency estimates reliability by grouping questions in a questionnaire that measure the same concept. One common way of computing correlation values among the questions on the instruments is the Cronbach's Alpha. In the present study, data obtained through questionnaire was subjected to split-half technique to check the reliability of the scales used in the question. 'Validity' is the strength of our conclusions, inferences or propositions. More formally, Cook & Campbell (1979) define it as the "best available approximation to the truth or falsity of a given inference, proposition or conclusion. The 'content validity' of the instrument is the extent to which it provides adequate coverage of the investigative questions guiding the study. A good way to check content validity is to use a panel of experts to judge how well the instrument meets the standards (Cooper & Schindler, 2008). The validity of the instrument was checked by administering it to various experts in academics and industry during pre-testing.

DATA ANALYSIS

The data collected as responses to the questionnaire were entered into the computer using Microsoft Excel software. The data was then subjected to analysis using an application software pack named 'Statistical Package for Social Sciences (SPSS) version 18.0'. The data generated from the questionnaires were subjected to different data analysis techniques as shown in Table 2.

Table 2: Types of Questions and Data Analysis Techniques Used

S. No.	Types of Questions	Data Analysis Technique	Remarks
1.	Agreement continuum questions which appeared in customer questionnaire.	Factor Analysis	To group the various practices into a smaller set of homogeneous factor.

Reliability Statistics of the Customer Questionnaire

Cronbach's alpha for the customer questionnaire was calculated to be .892. The value is more than 0.6, an indication that the scale has high reliability (Manerikar & Manerikar, 2015).

Objective 1: To identify the factors leading to customer satisfaction in Indian dairy industry.

Factor analysis through principal component analysis with Varimax rotation method was applied on the agreement continuum of the customer questionnaire, and items with factor loading above 0.50 were considered to determine the items clubbed into a single factor. Further measure of sampling adequacy was 0.852 and Bartlett's Test of Sphericity was significant [(χ^2) = 6197.429, df = 351, p = .000<0.05] indicating the appropriateness to proceed with factor analysis.

Five factors emerged prominently with a 65.326% variance. The identified factors were analysed for a common thread and accordingly the naming of the factors was performed. Table 3 shows the crux of the analysis.

Table 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	7.488	27.732	27.732	7.488	27.732	27.732	5.925	21.944	21.944
2	5.534	20.497	48.229	5.534	20.497	48.229	5.733	21.233	43.177
3	1.824	6.757	54.986	1.824	6.757	54.986	2.144	7.941	51.117
4	1.631	6.041	61.028	1.631	6.041	61.028	1.995	7.390	58.507
5	1.160	4.298	65.326	1.160	4.298	65.326	1.841	6.819	65.326

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalisation

Various elements of five extracted factors with the percentage of variance and factor loading value of each component are given in Table 4.

As per the result of the factor analysis performed on the agreement continuum of the customer questionnaire,

Table 4: Summary Table of Factor Analysis on Agreement Continuum of Customer Questionnaire

Factors	Cumulative Variance	Scale Items	Factor Loading (Eigen Value)
F1: Customer Services	21.944	• Milk retail outlets are conveniently located.	.791
		• Retails outlet provide convenient operating hour to purchase milk and milk products.	.785
		• For one reason or another, my products and services need are ignored by the company/ retailer.	.784
		• I regularly come across with periodically circulating document e.g. report, a newsletter which provides information about milk and milk products.	.782
		• My company is having relationship orientation with me.	.767
		• I am satisfied with the overall services of the company/retailer.	.693
		• I frequently receive competitive promotional schemes.	.665
		• While purchasing milk and milk products, I always get special attention from the retailer.	.622
		• Retailers frequently cross sales & up sales while selling milk and milk products.	.520
		• My retailer is having relationship orientation with me.	.514
F2: Customer Problem Solving Capability	43.177	• Company takes feedback from us at least once in a month.	.836
		• Retailers take regular feedback for milk and milk products	.690
		• Urgent demand of milk or milk products is being met by the retailer.	.590
		• Any complaints regarding milk and milk products are handled effectively by the retailer.	.581
		• I usually provide feedback to the company at regular interval.	.540
		• Defective milk and milk products are getting replaced by the retailer.	.477
F3: Value for Money Offers	51.117	• Price of the milk and milk products is an important criterion for me to buy.	.831
		• Packaged milk and milk products are available at competitive prices.	.747
		• Price consistency of milk and milk products governs my purchase.	.635
		• My expectation about milk and milk products is taken care off well.	.633
F4: Product Quality	58.507	• Consistent quality of milk and milk products is important for me.	.833
		• My purchase choice is governed by quality of milk and milk products	.770
		• Packaging of milk and milk products is one of the purchase criterions.	.565
		• Variety is an important parameter that I look while buying milk and milk products.	.466
F5: Product & Service Reliability	65.326	• On time delivery of milk and milk products creates satisfaction.	.764
		• My special requirement is not met by the retailer/company.	.680
		• Error free transaction is an important criterion to purchase milk and milk products.	.498

five factors emerged prominently i.e. customer services, customer problem solving capability, value for money offers, product quality and product & service reliability. The most prominent factor that emerged is the customer services, which accounts for 21.944 percent variance in the data, followed by customer problem solving capability which accounts for 43.177 percent variance in the data, trailed by value for money offers which account for 51.117 percent variance in data, followed by product quality which shows 58.507 percent variance in the data, and the last factor is product & service reliability which shows 65.326 percent variance in the data.

CONCLUSION AND RECOMMENDATIONS

Factor analysis was performed for the agreement in order to group the various practices into a smaller set of homogenous factors. Factor analysis was carried on agreement continuum in order to examine the validity of theoretically identified variables. The goal was to identify a smaller set of factor to represent. In this research, the principal component analysis with Eigen value greater than one was used to extract factor and Varimax rotation with Kaiser normalisation was used to facilitate interpretation of the factor matrix.

As per the factor analysis result, customer services emerged as the foremost requirement of the dairy customers. Customer problem solving capability and value for money offers have also emerged as prominent determinants of dairy purchase behaviour. In the fierce competitive arena, product quality and product & service reliability are considered essential elements, which is why customers showed their concern for the same at the bottom of their preferences

Recommendation

As per the result of the factor analysis, five factors emerged prominently i.e., customer services, customer problem solving capability, value for money offers, product quality and product & service reliability which further lead to customer satisfaction. Dairy supply chain member have to focus on each of the five factors which lead to customer satisfaction. Firstly, customer services, which includes the degree of services provided to customer besides the delivery of the ordered product, includes offering a variation in product assortment, making a commitment to each customer as an industry entity and providing after sales support. Secondly, customer problem solving capability, whose ultimate goal is to overcome obstacles and find a solution that best resolves the issue. It can be clarified with sub-parameter like sincerity in problem solving, handling customer compliance, and return and exchanges. Thirdly, value for money offers, which is related to the perceived level of quality relative to the price paid for a product or service. Fourthly, product quality which addresses the product's ability to fulfill the expectations and needs set by the end user, and finally product & service reliability which is related with the ability to perform the promised service dependably and accurately and can be explained with sub-parameter like timely promised services, supply of right products and error free transactions etc.

Recommendation (Product Quality)

Dairy supply chain members have to focus on product quality which is the product's ability to fulfill the expectations and needs set by the end user. Product quality is generally concerned with the physical product attributes (taste, shelf life, etc.). It consists of three elements: freshness of products (meat, vegetables, milk and milk product and fruits), durability and product variety. Product quality according to Garvin (1987) is described using eight attributes which are as follows.

(i) Performance: It refers to a product's primary operating characteristics.

(ii) Features: These are additional features which are also known as the 'bells and whistles' of the product.

(iii) Conformance: It is described as the extent to which a product will operate properly over a specified period of time under stated conditions of use.

(iv) Reliability: The probability that it will operate properly over a specified period of time under stated conditions of use.

(v) Durability: It is the amount of use a customer gets out of the use of a product before it physically deteriorates, or until replacement is preferable.

(vi) Serviceability: The speed, competency and courtesy of repair crew.

(vii) Aesthetics: How a product appeals to all the five senses of a human being.

(viii) Customer perceived quality: Customer perception of a product's quality, based on the reputation of the firm.

Out of the eight attributes described by Garvin (1987), he used three elements to measure the dimensions of product quality, namely product variety, freshness of products and durability. Variety, according to Dhar *et al.* (2001), helps retailers to serve different tastes and preferences of clients. Dellaert *et al.* (1998) concede that variety does not only help retailers attract more consumers, but it can also motivate them to purchase more while at the store. If a retailer gives greater variety in product categories, this can improve the convenience of purchase in this way, increasing customer satisfaction. Variety product selection can also help reduce perceived costs like effort and travel time.

Recommendation (Product and Service Quality)

Dairy supply chain members have to focus on the degree of services provided to customer besides the delivery of the ordered product. It includes offering a variation in product assortment, making a commitment to each customer as an industry entity and providing after sales support. Quality will be measured using variables like personnel service, friendly staff, courteous and knowledgeable staff. The speed of solving problems is also an important variable along with the ability of the staff to offer personalised service, such as being able to recognise frequent customers and even greet them by name.

Recommendation (Product and Service Reliability)

Dairy supply chain members have to concentrate on product and service reliability which is defined as the ability to perform the promised service dependably and accurately, and can be explained with sub-parameters like timely promised services, supply of right products and error free

transactions etc. Reliability refers to how much trust can be afforded the supermarket staff and organisation, for example, through parameters like accurate billing. "Reliability refers to the promises given by the store. If the store cannot keep or breaks the promises, it dissatisfies customers and results in negative word-of-mouth. In contrast, when the company is able to keep its promises, it increases customer confidence in the store and creates customer satisfaction and leads to loyalty (Yuen & Chan 2010).

Recommendation (Customer Problem Solving Capability)

Dairy supply chain members must have the capability of problem solving, which is a process that involves discovering, analysing and solving problems. The ultimate goal of problem-solving is to overcome obstacles and find a solution that best resolves the issue. It can be clarified with sub-parameters like sincerity in problem solving, handling customer compliance, and return and exchanges.

Recommendation (Value for Money Offers)

Dairy supply chain members must have to provide value for money offers which is the perceived level of quality relative to the price paid for a product or service (Ciavolino & Dahlgaard, 2007). Value of money is based on competitive pricing of products, discounts awarded to customers, and promotions. Cronin & Taylor (1992) claimed that customer satisfaction is not only affected by customer services but also by price and convenience. Various studies point out the difference between price and quality and how they influence perceived value, customer satisfaction and customer behaviour. Furthermore, Zeithaml (1988) says that, "customer value for money is the overall assessment of the utility of a product based on perceptions based on what is received and what is given". On the other hand, Sirohi *et al.* (1998) define value as "what you get for what you pay for". Woodruff & Slater (1997) suggest that there is need for companies to adjust their strategies towards delivering superior customer value, as it is a strong driver of customer satisfaction, retention and profitability.

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