



## **Impact of Service Quality on Retailer Satisfaction with respect to Distribution Channel Strategy and its relevance in Distribution Policy Framework of Britannia Biscuits**

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### **Abstract**

Biscuit is one of the preferred food products in Indian market. One of the key reasons driving preference amongst masses is its affordable pricing wherein a biscuit packet can be purchased starting at Rs. 3 per unit. Going by its low affordability levels, biscuits have become one of the popular packaged food products in Indian Market. Amidst changing consumer preferences, companies are launching innovative products, in order to stay ahead of others. Consumers are looking for product availability at an arm's length. India being a geographically vast spread market, Distribution Reach till the last mile is one of the crucial elements which determines Revenue and Market Share Growth for any biscuit player. Channel intermediaries are thus one of the very important links, as they help companies in making the products available to the end consumer. They also interact directly with the end consumer and influence customer preferences. It goes without saying that higher level of retailer satisfaction will command a higher degree of brand advocacy for any brand. Retailers expect a good service from distributors and quality of service received impacts their satisfaction levels. A study on this subject was conducted amongst 382 biscuit selling retailers of Khordha, Puri and Cuttack districts of Odisha. Service has been studied across Product Availability, Service Quality, Damage & Expiry Products settlement and Payment Flexibility. This study aims to study service dimension and comprehend its relevance to retailer's satisfaction regarding Distribution Channel Strategy of Britannia. Findings of this study

are likely to help companies build right set of Distribution Policies which will enable them to fulfil the expectations of the retailers.

**Keywords:** Service, Distribution Channel, Strategy, Policy, Satisfaction

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## **Introduction**

India features amongst top biscuit producing nations in the world. Annual turnover of biscuit industry in India is estimated to be Rs. 37000 Crores. Going by the size of business, it ranks third across the world, only after US and China. Despite being one of the largest markets, Per Capita Consumption of biscuits is still very low at 2.1 Kg, when compared to Ireland which is at 21.8 kg. This shows the growth potential this industry has got for the coming years. Biscuit industry is known for cut-throat competition as entry barriers to this industry are very low. Large number of local players exist in this industry, as the entry can be made with low investment and low technical know-how. While Britannia, Parle and ITC are national players, there are numerous regional players like Anmol, Raja and Priyagold.

Britannia is one of the trusted brands in biscuit industry and has a legacy of more than 100 years in this sector. Its annual revenue is in excess of INR 10000 Crores and is the market leader with market share being 32.1%, as per AC Nielsen. Good Day, Tiger, 50 50, Marie Gold, Milk Bikis and Nutrichoice are a few key brands in its portfolio.

Biscuit being high on affordability, is popular across all the segments of customers. Distribution Channel of companies ensures that product reaches to customers at a location convenient to them. Retailers play a crucial role in determining revenue market share for any company, as they interact with end customers and influence their purchase decisions. This paper aims to study service area and its meaningfulness to the satisfaction of retailers regarding company's Distribution Channel Strategy. This paper is likely to provide inputs to organisations for framing right set of Distribution Policies, which will enable them to satisfy the expectations of the retailers.

## **Objective of the Study**

This research work aims to gauge the influence of service quality on the satisfaction level of retailers regarding Britannia company's Distribution Channel Strategy. Quality of service is deep dived across several areas like Product Availability, Quality of service, Damage & Expiry Products Settlement and Payment Flexibility. It aims to provide inputs to Britannia for framing a robust Distribution Policy.

## **Review of Literature**

**Dugar, A., & Chamola, P. (2021)**<sup>1</sup> have highlighted in their study that brand loyalty exists both in case of consumers and retailers. Some prominent areas which influence brand loyalty of retailers

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<sup>1</sup> Dugar, A., & Chamola, P. (2021). Retailers with traits of consumer: Exploring the existence and antecedents of brand loyalty in small unorganized retailers. *Journal of Retailing and Consumer Services*, 62, 102635.

include service quality extended by salesperson, company's support and personal preference of retailer with respect to a brand.

**Rajan, A. P., Sammansu (2021)<sup>2</sup>** performed a study in Erode and suggested that availability is an important factor for any cake brand to succeed in Indian market. Study suggested that it is one of the vital components of an effective distribution strategy for any company.

**Suresh, A., Vasudevan, M., & Vinod, S. (2021)<sup>3</sup>** conducted a study amongst retailers of consumer healthcare sector. They found that service timeliness, credit extension and profit are the main factors which exert influence on the satisfaction level of retailers. Retailers have suggested that prompt settlement of damage and expiry products will help to increase their engagement. They have also emphasized on regularity of salesman visit and opined that company must launch more sales promotion, in order to increase their profitability. Retailers feel that these measures will help the company to increase their sales.

**Mangaonkar Uday Mahesh (2021)<sup>4</sup>** did a comparative analysis with respect to distribution strategies being adopted by Britannia and ITC. Author has highlighted that Britannia scores better on robustness of distribution set up and customer brand equity. Britannia is a relatively older company in biscuit category and is leveraging its distribution strength in order to increase business. Importance of channel intermediaries is highlighted, and companies are advised to build a strong relationship with them in order to scale up revenue.

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2 Rajan, A. P., Sammansu (2021), J. M., & Suresh, S. Consumer Buying Behavior.

3 Suresh, A., Vasudevan, M., & Vinod, S. (2021). Factors Influencing Association of Intermediaries in the Supply Chain of Consumer Healthcare Brands. *Journal of Distribution Science*, 19(1), 105-113.

4 Mangaonkar Uday Mahesh (2021). Critically Analyze the Indian Biscuits Market and Evaluate Competitive Strategies of Sunfeast and Britannia. *Journal of Xi'an University of Architecture & Technology*, 8(1).

**Sharma, A., Cosguner, K., Sharma, T. K., & Motiani, M. (2021)**<sup>5</sup> have narrated that performance of companies is influenced a great deal by the satisfaction level of channel intermediaries. Companies are suggested to manage channel intermediaries effectively and maintain a cordial relationship with them in order to maximize business gains.

**R. Geetha, Devi Meenakshi. K (2020)**<sup>6</sup> conducted a consumer study on brand awareness of biscuits in Madurai city. Researchers underlined the importance of convenience as it influences consumer buying decisions to a large extent. Thus, companies must endeavor to make products available to consumers at an arm's length.

**Gaurav, K., & Raju, K. V (2020)**<sup>7</sup> carried out study to dwell into important factors determining satisfaction of retailers situated on highways, operating in FMCG sector. Study pointed out a host of eleven factors which impact satisfaction of highway retailers. These factors include payment mode, profitability, brand image, salesperson's visit frequency, demand of customer, distribution, wrapping, relationship, post purchase facilities, product and in-store advertisement. Companies are recommended to perform well in these parameters, as it will result in business gains for them through higher retailer satisfaction. As per findings of this work, Pepsico and ITC were found to be doing better than other FMCG players.

**Neha Walde (2019)**<sup>8</sup> carried out a study on Britannia's distribution channel in Nagpur. Author has found that channel intermediaries are satisfied with current service levels of Britannia and 55% of retailers prefer to sell Britannia over the other brands. She has highlighted the importance of

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5 Sharma, A., Cosguner, K., Sharma, T. K., & Motiani, M. (2021). Channel Intermediaries and Manufacturer Performance: An Exploratory Investigation in an Emerging Market. *Journal of Retailing*, 97(4), 639-657.

6 Geetha, D. R. (2020). Brand Awareness-A Study among Biscuit Consumers in Madurai City. *International Journal of Management (IJM)*, 11(3).

7 Gaurav, K., & Raju, K. V (2020). Factors influencing Highway Retailer Satisfaction in FMCG industry.

8 Neha Walde (2019), Study of Distribution Strategy Britannia Biscuits in Nagpur city. *IOSR Journal of Engineering (IOSRJEN)*, 9(5).

distribution channel saying that it is one of the important area which decides success of any organization.

**Vijayakumar, K., & Nijanthan, R. (2019)**<sup>9</sup> carried research work on buying patterns of consumers in FMCG market and found that availability of product is one of the key parameters which influences consumer buying behavior.

**Kanimozhi, N., & Karthik, S (2019)**<sup>10</sup> carried out a survey on Sunfeast biscuits regarding its satisfaction and awareness amongst consumers & retailers. They have attributed poor availability of Sunfeast biscuits to the inferior performance of the brand in surveyed geography.

**Punjani, K. K., Bhanushali, M., & Palde, S. (2019)**<sup>11</sup> have emphasized the importance of availability and recommended companies to build a robust distribution network in order to provide availability convenience to consumers.

**Malini, M. S., & Kumar (2019)**<sup>12</sup> have laid emphasis on Channel Partner Relationship Management and suggested that exclusive resources must be deployed by companies in order to manage Channel Partners effectively. This will help companies to increase business.

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9 Vijayakumar, K., & Nijanthan, R. (2019). A Study on consumers buying behavior towards FMCG Products with reference to Karur District.

10 Kanimozhi, N., & Karthik, S (2019). A Study on the Brand Awareness and Consumer Satisfaction towards Sunfeast Biscuits in Erode District.

11 Punjani, K. K., Bhanushali, M., & Palde, S. (2019). Comparative Analysis of the Perceptions of Consumers and Retailers towards Britannia Biscuits. *International Journal of Management, IT and Engineering*, 9(7), 254-264.

12 Malini, M. S., & Kumar (2019), D. G. S. A study on implementation of Distribution Channel in FMCG with reference to Coimbatore.

**Kripanithi, R., & Ramachander, A. (2018)**<sup>13</sup> have said that companies must build robust distribution and provide availability convenience to consumers, in order to win battle at Indian Rural market place. This assumes high significance going by the geographical spread of the country.

**Naveed Hamid, Sajad Khurshid Khan, Jyoti Kachroo and M.Vinoth (2017)**<sup>14</sup> carried out a study on Retailer base of Gurdaspur and Pathankot districts of Punjab. Study aimed to measure effectiveness of distribution strategy of Britannia biscuits. It is recommended for the company to maintain cordial relationship with retailers and provide them with better credit facility. Researchers have suggested company to ensure better product availability, in order to ensure higher satisfaction level amongst retailers.

**Khorsand, H. E. (2017)**<sup>15</sup> conducted study with respect to HUL in Pune district of Maharashtra. He has highlighted the importance of rural markets in India as these markets have got higher growth potential as compared to urban markets. Considering huge geographical spread, availability is of paramount importance in these markets. Companies are suggested to invest in building robust distribution network in these markets. This will help them unlock future growths in these markets.

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13 Kripanithi, R., & Ramachander, A. (2018). 4 As The Key Drivers of Rural Marketing. *Journal of Rural and Industrial Development*, 6(1), 1.

14 Naveed Hamid, Sajad Khurshid Khan, Jyoti Kachroo and M.Vinoth (2017). A Comparative Analysis of Brand availability & Coverage of Britannia Biscuits in Punjab state of India. *International Journal of Engineering Technology, Management and Applied Sciences* 5(4).

15 Khorsand, H. E. (2017). A study of Marketing Strategies adopted for Marketing of Consumer Products in rural area of Pune district with special reference to Hindustan Unilever Ltd (Doctoral dissertation, Department of Commerce, Bharati Vidyapeeth).

**V. Kannan (2017)<sup>16</sup>** did a research work regarding Britannia biscuits in Theni district of Tamilnadu. Researcher has suggested that channel intermediaries play a crucial role in determining success for any company. Study has indicated the presence of a very strong Britannia distribution network in the surveyed geography. Retailers are highly satisfied with availability and other aspects of service related to Britannia.

**Dr. V. Suresh Babu and G. Chinna Durai (2016)<sup>17</sup>** conducted a survey to check distribution effectiveness of Britannia biscuits. amongst retailers of Madurai city. Researchers have suggested company to work better on availability specially in reference to few brands like Milk Bikis and Good Day Chocochip.

**Sarkar, D. N., Kundu, K., & Chaudhuri, H. R. (2016)<sup>18</sup>** dwelled into factors which motivate retailers to purchase products of a particular company. Key factors which got identified include doorstep delivery, credit facility extension, service regularity, knowledge of products and relationship with company staff, distributors & their staff.

**Bhuyan, D. P., & Tripathy, S. (2015)<sup>19</sup>** carried out a study on distribution strategy adopted by ITC with respect to biscuit category, in Cuttack market of Odisha. Researchers have suggested a

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16 V. Kannan (2017). Customer Attitude And Satisfaction Towards Direct Marketing Of Amway Products-A Study With Special Reference To Theni District-Tamil Nadu. International Journal of Business and Management Invention, Volume 6 Issue 12, December. 2017, PP—01-11

17 Babu, V. S., & Durai (2016), G. C. A study on consumer preference towards Britannia biscuits in Madurai. Shanlax International Journal of Arts, Science & Humanities, Vol. 3, No. 4 April 2016 ISSN: 2321 – 788X

18 Sarkar, D. N., Kundu, K., & Chaudhuri, H. R. (2016). Purchase Preference Factors for Traditional Rural Retailers: A Cross-sectional Conceptual Study. Vikalpa, 41(1), 9-27.

19 Bhuyan, D. P., & Tripathy, S. (2015). Competitive strategy and its impact on ITC portfolio. International Journal of Research in Mechanical Engineering & Technology, 5(1), 51-59.



low level of retailer satisfaction, in terms of product range availability, freshness of products and pricing.

**Rafeeque M.T and M Saravanan (2015)<sup>20</sup>** conducted a study in Palakkad town regarding availability of Marie Gold biscuits. Availability of Marie Gold biscuits is found good across the town. Retailers were found to be extremely satisfied with the service being provided by Britannia. Retailers have opined that distributor were very prompt in replacing their damage & expiry products. This was one of the major building blocks of their satisfaction.

**Ramachandran, R. (2015)<sup>21</sup>** carried out a study to check availability of Tiger Glucose and Marie Gold brand of biscuits in a specific geography. A high level of retailer dissatisfaction is registered owing to the poor availability of stocks.

**Garikaparthi, M. (2014)<sup>22</sup>**: did a study on channel intermediaries of secondary packaging industry. Researcher has highlighted the importance of channel intermediaries and suggested companies to have a well-defined process to carry out performance evaluation of channel intermediaries. Companies are also advised to gather feedback from channel intermediaries proactively and act promptly with respect to their suggestions & expectations.

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20 Rafeeque M.T , Dr.M.Saravanan (2015), A STUDY ON MARKET PENETRATION OF MARIE GOLD BISCUIT IN PALAKKAD TOWN. International Research Journal of Engineering and Technology (IRJET) e-ISSN: 2395-0056 Volume: 02 Issue: 08, Nov-2015

21 Ramachandran, R. (2015). Market Potential of Glucose Biscuits and Marie Segments—An Empirical Analysis. International Journal of Management and Development Studies, 4(3), 289-300.

22 Garikaparthi, M. (2014). Understanding the role of intermediaries in Secondary Packaging Industry and designing effective Distribution System.



**Vashisth, P. (2013)**<sup>23</sup> carried out a study on brand loyalty of bath soaps amongst rural consumers. He has highlighted that good availability level is a must in order to be successful in Indian rural market.

**Dev Narayan Sarkar (2013)**<sup>24</sup> tried to dwell into key factors which helped Oreo to penetrate fast in Indian biscuit market. One of the prominent reasons found was the fact that Oreo got a strong launch pad in form of robust distribution network of Cadbury. Researcher has emphasized the importance of distribution channel in determining the success for any biscuit player in India.

**Titus, R., Sengupta, D. D., & Garg, M. A. (2007)**<sup>25</sup> carried out a study to gain insights into distribution channel of ITC and its main competitors. They have highlighted the importance of good service and suggested that companies must invest in training their manpower in order to ensure best in class service to retailers. They have narrated that a well-trained salesman is likely to foster good relationships with channel intermediaries. This will lead to higher trade satisfaction and increased business returns for the organization. Authors have emphasized that stocks must be supplied to retailers in right quantity as undersupply will result in loss of sales while over supply might lead to expiry of products.

**Sullivan, P., & Savitt, R. (1997)**<sup>26</sup> have narrated that convenience and credit play significant role in shaping up buying behavior of rural grocery consumers.

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23 Vashisth, P. (2013). Impact of cultural factors on brand loyalty of rural buyers towards bath soap (A case study of Bhiwani district in Haryana). *International Journal of Marketing and Technology*, 3(3), 127.

24 Dev Narayan Sarkar (2013), Storm in a Milk-Cup: Oreo in India. *The IUP Journal of Business Strategy*, Vol. X, No. 1, 2013

25 Titus, R., Sengupta, D. D., & Garg, M. A. (2007). Leveraging Distribution Networks for Competitive Advantage: A Case of FMCG Channel Management at ITC Ltd. *Asia Pacific Journal of Marketing & Management Review*, ISSN, 2319, 2836.

26 Sullivan, P., & Savitt, R. (1997). Store patronage and lifestyle factors: implications for rural grocery retailers. *International Journal of Retail & Distribution Management*.

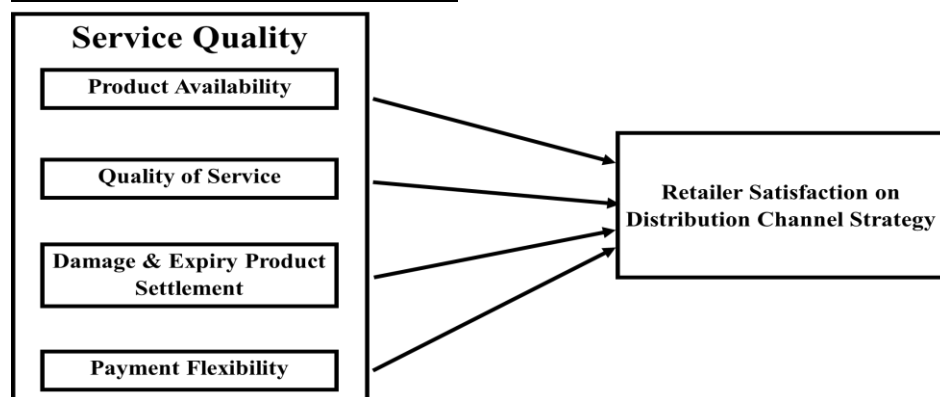
**Frazier, G. L., Gill, J. D., & Kale, S. H. (1989)**<sup>27</sup> carried out a study to understand the importance of distribution network with respect to channel strategy being adopted by companies. They have suggested that any successful distribution strategy has to be built on a strong foundation of voice of channel intermediaries. Companies are advised to gather feedback from channel intermediaries on a continuous basis and design their marketing strategies accordingly.

## **Conceptual Framework**

Product Availability, Quality of Service, Damage & Expiry Product Settlement and Payment Flexibility are figured out as main areas in literature review, which influence the satisfaction of retailers regarding distribution strategy of a company.

Conceptual model given below establishes a relationship between independent variables (Product Availability, Service Quality, Damage & Expiry Product Settlement and Payment Flexibility) and dependent variable (Retailer Satisfaction on Distribution Channel Strategy) –

**Figure 1: The Conceptual Model**



**Source:** Author's own compilation

## **Research Methodology**

Both primary and secondary data were used to conduct this study. A sample of 382 biscuit selling retailers from Khordha, Cuttack and Puri Districts was chosen to carry out this study. These traditional trade retailers sell brands of multiple companies under one roof. They carry out sales of multiple brands under one roof. Since retailers belonged to diverse markets and profiles, sample was finalized with the help of stratified random sampling technique. Data was gathered using structured questionnaire built on likert type scale, through face-to-face interaction with

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<sup>27</sup> Frazier, G. L., Gill, J. D., & Kale, S. H. (1989). Dealer dependence levels and reciprocal actions in a channel of distribution in a developing country. *Journal of marketing*, 53(1), 50-69.

respondents. ANOVA, Multiple Regression Analysis, Standard Deviation, Mean, Percentage, and Correlation are few of the statistical techniques which were used for data analysis.

## Data Analysis and Interpretation

**Table-1: Distribution of Sample based on Operational Area and Years of Inception of Britannia Business**

			Age of Business		Total
			Within 10 Years	Above 10 Years	
Operational Area	Rural	N	78	97	175
		%	44.6%	55.4%	100.0%
	Urban	N	105	102	207
		%	50.7%	49.3%	100.0%
Total		N	183	199	382
		%	47.9%	52.1%	100.0%

Table-1 presents the sample distribution which depicts nearly equal distribution (%) in almost all cells. Urban Markets are categorized as towns with  $\geq 50000$  population while Rural Markets have been categorized as towns with  $<50000$  Population.

Out of 175 retailers of Rural market, 78 (44.6%) have been associated with Britannia for less than 10 years, while 97(55.4%) have been selling Britannia products for more than 10 years. Similar number for 207 Urban Market retailers is 105 (50.7%) within 10 years and 102 (49.3%) above ten years respectively.

**Table-2: F-values from Analysis of Variance on satisfaction over aspects of service based on operational area and inception period in starting Britannia business.**

Sources of Variations	Aspects of Service				
	Product Availability	Service Quality	Damage & Expiry Product Settlement	Payment Flexibility	Overall Service
Area	3.870*	27.215*	19.143*	24.778*	27.465*
Age	7.204*	20.825*	3.806 <sup>NS</sup>	6.587*	11.802*
Area * Age	0.069 <sup>NS</sup>	6.888*	16.297*	2.799 <sup>NS</sup>	8.236*

N.B:- \* - Significant at 5% level ( $P < 0.05$ ), NS – Not Significant at 5% level ( $P > 0.05$ ) for  $DF = (1, 381)$ .

Table-2 shows an outcome of findings derived using two-way Analysis of Variance (ANOVA) on the satisfaction level over aspects of service which encompass Product Availability, Service Quality, Damage & Expiry Product Settlement, Payment Flexibility and Overall Service level of Britannia products for analyzing the variation on account of age of inception of the business and operational area. All the F-values shown against area are significant at 5% level ( $P < 0.05$ ) and a

significant difference in the level of satisfaction of urban and rural multi-brand traditional trade retailers is indicated with respect to product availability, quality of service, damage & expiry product settlement, payment flexibility and overall service levels of Britannia products. All the F-values shown against age barring damage and expiry product settlement are found to be significant at 5% level ( $P < 0.05$ ) and significant difference is indicated in the level of satisfaction above 10 and below 10 years of inception of business by retailers towards product availability, service quality, payment flexibility and overall service levels of Britannia. All F-values shown against the interaction of age of inception of the business and operational area barring product availability and payment flexibility are significant at 5% level ( $P < 0.05$ ) and significant difference is implied in the level of satisfaction of retailers with respect to service quality, damage & expiry product settlement and overall service levels of Britannia products.

**Table-3: Mean and SD of the level of satisfaction over product availability, quality of service, damage & expiry product settlement, payment flexibility, and service.**

	Age of Business		Product Availability	Service Quality	Damage & Expiry Product Settlement	Payment Flexibility	Overall Satisfaction over Service
Rural	Within 10 Years	Mean	4.42 <sup>B</sup>	4.44 <sup>D</sup>	4.14 <sup>G</sup>	4.32 <sup>J</sup>	4.58 <sup>L</sup>
		SD	0.66	0.37	0.68	0.67	0.44
	Above 10 Years	Mean	4.57 <sup>B</sup>	4.49 <sup>D</sup>	3.97 <sup>G</sup>	4.39 <sup>J</sup>	4.60 <sup>L</sup>
		SD	0.68	0.39	0.71	0.51	0.42
	Total	Mean	4.50	4.46	4.05	4.36	4.59
		SD	0.68	0.38	0.70	0.59	0.43
Urban	Within 10 Years	Mean	4.29 <sup>A</sup>	4.12 <sup>C</sup>	3.45 <sup>E</sup>	3.83 <sup>H</sup>	4.17 <sup>K</sup>
		SD	0.46	0.44	0.82	0.81	0.52
	Above 10 Years	Mean	4.47 <sup>B</sup>	4.39 <sup>D</sup>	3.94 <sup>G</sup>	4.14 <sup>J</sup>	4.49 <sup>L</sup>
		SD	0.49	0.28	0.93	0.81	0.54
	Total	Mean	4.38	4.25	3.69	3.98	4.33
		SD	0.49	0.40	0.91	0.82	0.55

N.B:- Similar superscript over means along a column indicates their similarity at 5% level ( $P < 0.05$ ).

Table-3 depicts the inter-comparison of mean scores of satisfaction levels of multi-brand traditional trade retailers coming from 4 (four) sub-samples arising out of the interaction of age of inception (above 10 years / below 10 years) and area (urban/rural) towards a few aspects of service encompassing, product availability, quality of service, damage & expiry product settlement, payment flexibility and overall services rendered by Britannia. DMRT is carried out by earmarking means with superscripts showing the same superscript over the means indicating their significant similarity as well as differences from means with other superscripts. It is seen that the same superscript has been allotted to mean scores of urban as well as rural above 10 years category and

different superscript over urban below 10 years in all parameters. Hence, the mean levels of satisfaction of urban as well as those of rural retailers based in above 10 years of the business category are similar and more satisfied than the rest on product availability, service quality, damage & expiry product settlement, payment flexibility, and overall services rendered.

**Table-4: Correlation between level of satisfaction over aspects of service with the distribution channel strategy.**

	<b>Rural</b>	<b>Urban</b>	<b>Below 10 Years</b>	<b>Above 10 Years</b>
Product Availability	0.710*	0.730*	0.657*	0.697*
Quality of Service	0.633*	0.542*	0.598*	0.581*
Damage and Expiry Product Settlement	0.321*	0.758*	0.670*	0.594*
Payment Flexibility	0.709*	0.861*	0.795*	0.855*
Overall Satisfaction over Service	0.802*	0.892*	0.869*	0.869*

N.B:- \* - Significant at 5% level ( $P < 0.05$ ).

Table-4 indicates the correlation coefficients between satisfaction levels of multi-brand traditional trade retailers of Britannia over product availability, quality of service, damage & expiry products settlement, payment flexibility, and overall services are significant at 5% level. This shows product availability, quality of service, damage and expiry of products settlement, payment flexibility, and overall services have acceptable unitary influence over the satisfaction of retailers regarding distribution channel strategy of Britannia biscuits.

**Table-5: Multiple regression to study the impact of satisfaction on aspects of service (predictors) over the distribution channel strategy of Britannia.**

	<b>Rural</b>		<b>Urban</b>		<b>Below 10</b>		<b>Above 10</b>	
	<b>B</b>	<b>T</b>	<b>B</b>	<b>T</b>	<b>B</b>	<b>T</b>	<b>B</b>	<b>T</b>
(Constant)	0.610	2.028	0.785	2.943	0.654	2.712	0.195	0.679
Product Availability	0.210	4.697	0.206	3.882	0.22	4.766	0.197	4.573
Quality of Service	0.223	3.069	0.025	0.457	0.109	1.873	0.159	2.326
Damage and Expiry Products Settlement	0.093	3.298	0.192	6.929	0.197	6.903	0.110	4.371
Payment Flexibility	0.293	7.167	0.404	12.435	0.311	9.109	0.462	12.88
R <sup>2</sup> value	0.680		0.826		0.767		0.804	

Table-5 shows the results derived from the application of multiple regression analysis by treating the average level of satisfaction scores of multi-brand traditional trade retailers on product

availability, quality of service, damage & expiry products settlement and payment flexibility as independent variables and distribution channel strategy as a dependent variable. Acceptability of regressions is indicated by R<sup>2</sup> values greater than 0.50. Magnitude of the t-values shown against the independent variables in each of the sub-samples indicates that payment flexibility has the highest impact on distribution channel strategy irrespective of inception period and operational area. Mathematical relationship is given below.

For Rural:

$$Y = 0.610 + 0.210 * X_1 + 0.223 * X_2 + 0.093 * X_3 + 0.293 * X_4 \quad (1)$$

For Urban:

$$Y = 0.785 + 0.206 * X_1 + 0.025 * X_2 + 0.192 * X_3 + 0.404 * X_4 \quad (2)$$

For within <10 years of Business Inception:

$$Y = 0.654 + 0.22 * X_1 + 0.109 * X_2 + 0.197 * X_3 + 0.311 * X_4 \quad (3)$$

For above 10 years of Business Inception:

$$Y = 0.195 + 0.197 * X_1 + 0.159 * X_2 + 0.110 * X_3 + 0.462 * X_4 \quad (4)$$

Where,

Y = Satisfaction over Distribution Channel Strategy

X<sub>1</sub> = Satisfaction over Product Availability

X<sub>2</sub> = Satisfaction over Service Quality

X<sub>3</sub> = Satisfaction over Damage & Expiry Product Settlement

X<sub>4</sub> = Satisfaction over Payment Flexibility

**Table-6: A most befitting mathematical model to study the impact of satisfaction on overall service (predictor) over the distribution channel strategy of Britannia.**

Models	Rural					Urban					Below 10 Years					Above 10 Years				
	R <sup>2</sup>	C	b1	b2	b3	R <sup>2</sup>	C	b1	b2	b3	R <sup>2</sup>	C	b1	b2	b3	R <sup>2</sup>	C	b1	b2	b3
Linear	0.643	0.634	0.825			0.796	-0.079	0.975			0.755	0.267	0.9			0.756	-0.081	0.976		
Logarithmic	0.628	-0.977	3.554			0.789	-2.027	4.232			0.745	-1.467	3.862			0.748	-2.07	4.26		
Inverse	0.609	7.737	-15.075			0.778	8.403	-18.159			0.732	7.999	-16.357			0.738	8.447	-18.377		
Quadratic	<b>0.665</b>	<b>6.653</b>	<b>-1.942</b>	<b>0.315</b>		0.801	3.88	-0.853	0.208		<b>0.765</b>	<b>4.708</b>	<b>-1.167</b>	<b>0.237</b>		<b>0.76</b>	<b>3.634</b>	<b>-0.726</b>	<b>0.192</b>	
Cubic	0.664	4.62	-0.552	0	0.024	<b>0.803</b>	<b>2.625</b>	<b>0</b>	<b>0.016</b>	<b>0.014</b>	0.764	3.166	-0.115	0	0.018	0.76	2.538	0	0.034	0.011
Compound	0.630	1.8	1.215			0.779	1.498	1.262			0.748	1.63	1.24			0.735	1.493	1.263		
Power	0.618	1.227	0.84			0.774	0.94	1.011			0.741	1.076	0.923			0.731	0.925	1.022		
S	0.601	2.267	-3.572			0.766	2.43	-4.342			0.73	2.336	-3.914			0.723	2.446	-4.417		
Growth	0.630	0.588	0.195			0.779	0.404	0.232			0.748	0.489	0.215			0.735	0.401	0.234		
Exponential	0.630	1.8	0.195			0.779	1.498	0.232			0.748	1.63	0.215			0.735	1.493	0.234		

Table-6 gives the results arrived at through the application of multiple regression analysis by treating the average level of satisfaction scores of multi-brand traditional trade retailers on overall service level as the independent variable and distribution channel strategy as the dependent variable. The computed R<sup>2</sup> values for Inverse, Logarithmic, Linear, Compound, Cubic, Quadratic, S, Power, Exponential and Growth regressions are considered. Considering the R<sup>2</sup> value along a column (sub-population), the highest of them is observed against the quadratic model in almost all

cases. Hence, the relationship between the level of satisfaction on overall services and distribution channel strategy satisfies a quadratic relationship irrespective of the age of inception of Britannia business and operational area. The best mathematical relationship between satisfaction of multi-brand traditional trade retailers on overall services (independent) and the distribution channel strategy of Britannia (dependent) is expressed as below.

For Rural:

$$Y = 0.653 - 1.942 * X + 0.315 * X^2 \quad (5)$$

For Urban:

$$Y = 2.625 + 0.016 * X^2 + 0.014 * X^3 \quad (6)$$

For within 10 years of Business Inception:

$$Y = 4.708 - 1.167 * X + 0.237 * X^2 \quad (7)$$

For above 10 years of Business Inception:

$$Y = 3.634 - 0.726 * X + 0.192 * X^2 \quad (8)$$

Where,

Y = Satisfaction over Distribution Channel Strategy

X = Satisfaction with overall Services.

## **Findings**

- It is found that satisfaction level of retailers regarding Product Availability, Service Quality, Payment Flexibility and overall service aspects of service varies significantly by the age of inception of business and area of operation (Urban/Rural).
- Retailer satisfaction with respect to Damage & Expiry Product Settlement aspect of service does not vary significantly because of the inception period of business.
- Retailers have expressed satisfaction over the Product Availability, Quality of Service, Damage & Expiry Products Settlement, Payment Flexibility and overall service, with respect to services being rendered by Britannia.
- Retailers operating in Rural Markets have a higher satisfaction with Britannia services when compared to retailers operating in urban markets.
- Retailers operating in Urban Markets, having less than 10 years of business association with Britannia are less satisfied with Britannia's service quality, when compared to remaining set of retailers.
- Study suggests that Product Availability, Quality of Service, Damage & Expiry Products Settlement and Payment Flexibility significantly impact satisfaction levels of Britannia retailers regarding Distribution Channel Strategy.
- Payment flexibility has a higher degree of influence than Product Availability, Quality of Service and Damage & Expiry Products Settlement aspects of service on the satisfaction level of retailers regarding Distribution Channel Strategy of Britannia, irrespective of inception period and operational area.
- Mathematical model suggests that overall retailer satisfaction on service levels results into the satisfaction of retailers regarding Britannia's Distribution Channel Strategy.



## **Conclusion**

This research work highlights that service dimension is important in case of biscuit industry. Key service aspects like Product Availability, Quality of Service, Damage & Expiry Products Settlement and Payment Flexibility have a huge bearing on the satisfaction of multi-brand traditional trade retailers regarding Britannia's Distribution Channel Strategy. It is evident that urban retailers are comparatively less satisfied when compared to Rural retailers. Within urban retailers, Retailers within 10 years of association are pulling down the satisfaction scores. In order to increase their satisfaction levels, company must provide better service and launch segmented offers for these retailers. This will result in better relationship and higher extraction of business from these retailers. Payment Flexibility has been found to be exerting a higher impact than Product Availability, Service Quality and Damage & Expiry Products Settlement aspects of service, on the satisfaction level of multi-brand traditional trade retailers regarding Britannia's Distribution Channel Strategy. Britannia should thus ensure retailer friendly modes of payment. Since there is a significant variance observed in retailer satisfaction levels with respect to the area of operation and age, it is prudent for Britannia to determine segmented marketing mix for each group of retailers. Since service quality is found to be leading to the satisfaction of retailers with respect to Distribution Channel Strategy, Britannia must continue building upon Product Availability, Quality of Service, Damage & Expiry Product Settlement and Product Flexibility in order to strengthen its business. Britannia is suggested to incorporate all the relevant inputs while framing the Distribution Policy, which will help to improve the satisfaction levels of the retailers.

## **Scope for future Research**

The present study is pertaining to a part of Odisha state. Such research can also be pursued for rest of the Odisha state as well as other states, which may be beneficial for Britannia. While conducting further research in future, the then most updated models may be considered for more scientific and specific results. Accordingly, more pin pointed conclusions and remedies for existing loopholes may be taken care of.