

**ROLE OF PRODUCT AND SERVICES IN SATISFACTION  
OF CUSTOMER:  
A CASE STUDY OF ORGANIC INDIA**

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**Abstract**

In the modern world we find people more conscious about their health; this sensibility had made them consumer of organic products. The increasing number of health sensitive people has led to the increase in organic product industries in the world. There are firms in the market providing varied organic products to the customers. This organic product serves varied health related needs of the customers. Present study is carried out to know which products are more popular of "Organic India" one of the leading firm of the organic product industry in India. The study also examines the role of product and service in satisfaction of the customers and the impact of satisfaction in their intention to repurchase the items. The data was collected from 100 customers of the company from Vadodara city of Gujarat state. Testing of hypothesis is done using t- test and it was found that the product and services offered has a significant role in the satisfaction of the customer which in turn significant effect intention to repurchase the product.

**Key Word: Customer Satisfaction, Product, Service, Organic Product**

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## 1. Introduction

World has become dynamic. The reason for it, is the fast change and acceptance of new technologies and opening up of the economics of different countries of the world. Industries are facing tremendous completion due to constant change in technology, new entries in the market and switching consumer due to change in their taste and preferences. Lives of the people living in the urban areas have been greatly affected by the development of the various industries in the market. People in the urban area are generally a person delivering the services or are a businessman. Due to cut through competition, all the people living in urban area whether they are service class or a businessman face a lot of stress in their daily life. This stress has brought a lot of health related problems in the life of the people. Thus, many people in urban area are in search of one or another way which will promise them a better health solution. Using organic product is a current trend in the cities to provide better health solution to the people. Due to increasing demand of organic products in the city areas we find increasing number of business venture in the organic product supplying industries.

The present study focus on one such business venture “Organic India” which is a leading company in supplying the organic product in the Indian market. Study focus to examine the most popular product of the organisation with the role of product and services in satisfaction of the customer and to analyse the impact of satisfaction on intention to repurchase the product of the organisation. The study is divided into seven sections. The first section of the study is the present section of introduction followed by the second section of company’s introduction. The third section is. of literature review and the concept development, forth section specify the objectives of the study followed by research methodology in the fifth section. Sixth section discusses the result and findings of the study and the last seventh section concludes the study.

Following section gives a brief view of the company Organic India. Section provides the detail about the inception, ideology and working of the company under study.

## 2. Organic India

The company was formed in 1990’s by the small group of people in India. Company functions with a holistic business approach and has develop a sustainable business model that supports the

livelihood of thousands of impoverished farmers in north India. Organisation provides training and education for organic and biodynamic farming for herbal product to the farmers in north India. They pay fees associated for acquiring the necessary organic certifications and purchase the harvested crops and herbs at a premium market price. Farmers rotate between the crops for Organic India with food crops for themselves. Thus, farming families are supported by a sustainable income, while at the same time it help in improving and preserving their own health and natural environment (Organic India, n.d.b).

Company in order to give good quality of product follow the advanced processing methods and dehydration technologies. While processing the herbs due care is taken to retain their maximum level of potency for the highest quality product. It is seen that the products are most effective, pure and are natural true wellness for the consumer (Organic India, n.d.a). Next section in the study discusses supporting literature and the important concepts of the study undertaken.

### **3. Concept Development and Literature Review**

Customer satisfaction is a primary and direct link to measure the outcome (Andreassen, 1998; Athanassopoulos, 2000; Clow and Beisel, 1995). Cronin et.al (2000) studied the effects of quality, satisfaction, and value on consumers' behavioral intentions. They examine the direct relationship of service quality, service value, and satisfaction with the behavioral intentions. The results further suggest the indirect effects of the service quality and value constructs on behavioral intentions of customer. Hennig-Thurau & Klee (1997) develop a conceptual foundation for investigating the customer retention process, with the use of the concepts of customer satisfaction and relationship quality. They critically examine relationship between the satisfaction and retention of customer. Their study gives a more comprehensive view of the customer's quality perception. Mittal & Kamakura (2001) work for the development of model relating effects of satisfaction on repurchase intention.

#### **3.1. Product and Satisfaction**

Product is important component of manufacturing and trading Industries. People buy goods from the market based upon their needs; during consumption of the product they evaluate the expected performance with the actual performance. If the actual performance is more than the expected,

consumer are satisfied and if it is less than the expected they are dissatisfied. Thus, customer satisfaction is based upon the knowledge about the customers regarding their needs, desires and ability; and the capacity of the organisation to satisfy them adequately (Radman, Kovačič, and Kolega 2002). Study conducted by Sadeghi&Farokhian (2011) examined the relationship of product performance (basic needs, performance needs, excitement needs), value provided for the customer (expected and unexpected values) on customer satisfaction and loyalty. Another study on customer satisfaction by Vukasović&Mikulić(2014) measures the satisfaction with product offer in the drugstore chain X of Croatian territory. Number of studies conducted over a period of time examined the role of product for satisfaction of customer (Anderson and Fornell, 1994; Mihelis et al., 2001; Millana, 2004 and Zamazalová, 2008)

### 3.2. Services and Satisfaction

Services are intangibles they cannot be seen or touch but are felt by the consumer. The production and the consumption of the services go on simultaneously; services cannot be saved for the future use, but are produce only on the requirement of the consumer. Services are delivered by the company at the time of purchase of product or are delivered after the sales of products. These services are crucial for consumption of the product and hence are important factor in determining satisfaction of the consumer. Solomon et.al (1985) examined importance of interaction between service providers and customers which result in to the satisfaction of customer. Bitner, Booms, and Tetreault (1990) explore the different services given in restaurants, hotels, and airlines; and study the effect of services given by the employee to the customer on the satisfaction and dissatisfaction of the customers. A study was conducted in the restaurants and hotels by Smith, Bolton and Wagner (1999) to examine the recovery efforts that are required to be made at the time of service failure in order to satisfy the customer. Tax, Brown, and Chandrashekar (1998) work on the organisation mechanism of complain handling. They examine the direct impact of satisfaction with complaint handling on trust and commitment of customer of the organization.

### 3.3. Satisfaction and Intention to purchase

Retention of customers is fundamental to the success of an organization (Oliver, 1999; Söderlund, 2006; Zeithaml, Berry, & Parasuraman, 1996). Organisations are in search of the

factors that lead customers for the continuous usage of its product and services. Different studies have been conducted from time to time emphasising on the different factors for the retention of customers. Authors like Olorunniwo et al. (2006) and Parasuraman et al. (1985, 1994) have focused on service quality. Lassar et al. (1995) and Zins (2001) found image as an important factor for retention. Jones & Suh (2000), Murray & Howat (2002) and Söderlund (2006) determined satisfaction as an important factor for retention. Present study is taking support of the previous study in order to examine the effect of satisfaction on purchase of the product of Organic India. The objectives of the study are given below.

#### 4. Objective

The main purpose of the study is to examine the role of product and services on satisfaction of the customer of organic India. The prime objective is further classified into sub objectives which are:

- To identify the most popular product of the organisation
- To detect the segment of people who are customers of the product of organisation
- To examine the level of impact product effectiveness, quality and performance on satisfaction of customers
- To inspect the level of impact of services on satisfaction of the customers
- To assess the role of satisfaction on intention to repurchase the product of the organisation.

#### 5. Research Methodology and Data Collection

Study focus on the customers of Organic India in Vadodara city of Gujarat State. Data was collected from 100 customers through the close ended questioner in the year 2015-16. Selection of customer was based upon the convenience sampling technique. The purpose of the questionnaire was to collect the demographic profile of the respondent, know the most popular product of the organisation, examining the role of product and services on satisfaction of customer and then analysing the impact of customer satisfaction on intention to repurchase the product. Hence, the questionnaire designed comprised of four constructs/variables with a total of 9 items distributed between these four constructs, measured on a five-point scale ranging from Strongly Disagree (1), Disagree (2), Undecided (3), Agree (4) to Strongly Agree (5). The

respondents were asked to rate their level of perception of the four variables on the basis of 9 questions asked to them.

The objectives of the study have been examined and analysed using suitable statistical tool. The most popular product of the company is identified on the basis of the proportion of the responses. Average and mode value were found to know the level of significance and the majority of responses for the variables. Significance of the role of product on satisfaction, the role of services on satisfaction and the role of satisfaction on intention to repurchase was investigated using t-test for unequal variances.

## 6. Empirical Result

A total of 100 responses are used for interpretation and analysing the finding of the study. Reliability test were conducted to assess the internal consistency of the data. Cronbach's alpha the most widely used method to test the reliability was used in the study, the alpha value exceeding minimum standard of 0.70 (Nunnally & Bernstein, 1994) specifies the scale to be reliable. The value of Cronbach's alpha was found to be 0.926, which ensure the reliability of the scale under study. Normality of the data was check using P-P plot which depicts data to be normal.

The demographic profile of the respondent consists of gender, age and occupation. The detail of the profile is in Table – 1 given below.

Description		Responses
Gender	Male	27
	Female	73
	<b>Total</b>	<b>100</b>
Age	20-30	44
	30-40	40
	40-50	12

	50 and above	4
	<b>Total</b>	<b>100</b>
<b>Occupation</b>	Service	15
	Business	41
	Others	44
	<b>Total</b>	<b>100</b>

Out of 100 respondent of the study 27 were male and 73 were female. More number of female shows, more number of women prone to organic product than the male. When this respondent were further classified according the age group from 20-30 years, 30-40 years, 40-50 years and 50 year and above: 44 respondent belong to the first group, 40 belong to the second, 12 to the third and only 4 respondent were of a group 50 year and above. From the age classification it was found that maximum respondent were from the age between 20-40 years which consist of 84 percent of the sample under study. From the age classification we can induce the product to be more popular among middle age group. Respondent when further classified on the basis of their occupation it was found that 15 percent of the respondent were employees (doing service in other organisation), 41 percent own their business and remaining 44 percent responded under other. When “other”group was further investigated on the basis of gender, it was found that 42 respondent in the group were female, further investigating the group on the basis of age it was found that 10 respondent were in the age group of 20-30 years. The data implies that out of 44 respondent in other 10 respondent might be the students and other 34 female are home makers.

### 6.1. Popular product of Organic India

Product of Organic India was classified into four broad categories Chywanprash, Tulsi teas, Supplements and other. Question was asked to the respondent for the consumption of the above mention product. The responses of the 100 respondent are given in Table- 2.

Product	Responses
Chywanprash	9

Tulsi Teas	55
Supplements	28
Others	8
<b>Total</b>	<b>100</b>

Above table confer the most popular product of the company is the Tulsi Teas, as 55 percent of the respondent are the consumer of the product which is followed by the supplements the second most popular product of the company with 28 percent of the respondent consuming it. Chywanprash and other product were comparatively very less popular among the consumer with the consumer of Chywanprash 9 percent and other product 8 percent of the responses.

## 6.2. Product, Service, Satisfaction and Intention to Repurchase

Respondent were further ask the statements pertaining to the product, service, satisfaction of the respondent for the product and service of the company and their intention to repurchase. Table-3 provides the list of statement ask to the respondents with the average and mode score of each statement.

Category	Statements	Mean	Mode
Product	Product is effective in satisfying the need of customer	3.61	4
	I am highly satisfied by quality of product	4.05	5
	I am highly satisfied by performance of the product	4.04	5
	<b>Total Average</b>	<b>3.90</b>	
Service	Product are properly presented and demonstrated in the stores	3.53	4
	Sales people well explain about the product of organisation	3.77	4
	Customer complaints are welcomed and resolved quickly and positively	3.88	4
	<b>Total Average</b>	<b>3.73</b>	
Satisfactio	I am highly satisfied by the product of the company	3.87	5



n	I am highly satisfied by the services of the company	4.00	4
	<b>Total Average</b>	<b>3.94</b>	
Intention to Repurchase	I would like to purchase product repeatedly	3.79	4

### 6.2.1. Product

Statements relating to the product were asked to the consumer of the organisation. Statements under product category examine the satisfaction of the respondent pertaining to the effectiveness, quality and performance of the product. The average score for the effectiveness was 3.61, of quality was 4.05 and of performance came to be 4.04. The average score of all the three variables are above 3.66 which mean that respondents were satisfied with the effectiveness, quality and performance of the product. The combine average of the product was 3.90 which again show the combine high level of satisfaction.

The mode values for effectiveness is 4 which shows that respondents largely “Agree” for the satisfactory effectiveness of the product and the mode value for quality and performance is 5 which implies that respondent largely “Strongly Agree” for the satisfactory quality and performance of the product. Thus the scores are tilted in favour of the satisfaction for effectiveness, quality and performance of the product.

### 6.2.2. Services

When the respondents were ask about the services at stores of the company relating to the presentation and demonstration of the product in the stores, explanation about the product by sales person and resolving of complains by the company. The average score for presentation and demonstration of the product in the stores came to be 3.53, for the explanation by sales person came to be 3.77 and for positive complain disposal came to be 3.88. The high mean score for all the three items show the statements are agreed by majority of the people which is supported by the model value 4 “Agree” for the statements ask to them. The combine average score for the

three items was found to be 3.73 which again favour the good services provided by the company to its customers.

### 6.2.3. Satisfaction

Satisfaction of the customers was inquired for the product and services provided by the company. The average score for satisfaction of the product came to be 3.87 with the mode value of 5 which mean that large number of respondents highly agree for the products of the company to be according to their expectation and were highly satisfied by it. Average score and the mode value for the services given by the company were 4 which again mean that customers largely agreed to be highly satisfied by the services provided by the company. The combine average for the satisfaction was 3.94 which again shows that the respondents where highly satisfied by the products and services of the organisation.

### 6.2.4. Intention to Repurchase

Customers were asked about their intention to repurchase the product of organisation. Average value of responses for statement was 3.79 with a mode value of 4 which mean that large number of customer agree to repurchase the company's product for future use.

### 6.3. Role of Product on Satisfaction of the Customers

Average of sum of items relating to product was 11.7 with a variance of 9.26, while the average of satisfaction for product was 3.87 with a variance of 1.55. Thus, T-test of two-sample with unequal variances was conducted between the sum of items of product and satisfaction for product. The test was done at 5% significant level to examine the role of product on satisfaction of customer. The P value of one tail Test was 9.8E-50 which mean that product of the company plays a significant role in satisfying the customers of the organization.

### 6.4. Role of Services on Satisfaction of the Customer

Average of sum of Service items was 11.8 with a variance of 6.69, while the average of satisfaction for services was 4 with a variance of 0.93. Thus, T-test of two-sample with unequal variances was conducted between the sum of service variables and the satisfaction of service. The test was done at 5% significant level to examine the role of services on satisfaction of

customer. The P value of one tail Test was  $3.71E-53$  which mean that services of the company plays a significant role in satisfying the customers of the organization.

### 6.5. Role of Satisfaction in Intention to Repurchase

Average of sum of Satisfaction for product and service was 7.87 with a variance of 4.26, while the average of intention to repurchase was 3.79 with a variance of 1.54. T-test of two-sample with unequal variances was thus conducted between the sum of satisfaction variables and the intention to repurchase. The test was done at 5% significant level to examine the role of satisfaction on intention to repurchase. The P value of one tail Test was  $5.22E-38$  which mean that satisfaction of customer plays a significant role in intention for repurchase of the product of the organization.

## 7. Conclusion

The study undertaken is helpful for the organic industries. Study analyse the impact of product and services of the company on satisfaction of the customer which further effect on the intention to repurchase the product of the organisation. It is particularly helpful to Organic India organisation as the data and the analysis are solely based on the customers of the company. The empirical results of the study lead to the following findings:

- Female are the major consumer of the product of the organisation
- Tulsi Teas is the most popular product among the consumer followed by the supplements
- Customers of the company are highly satisfied by the effectiveness, quality and performance of the product.
- Customers of the company are highly satisfied by the presentation and demonstration, explanation by sales person and the complaint resolution mechanism of the organisation.
- Product and services play a significant role in satisfaction of the customer.
- Customer satisfaction plays a significant role in intention to repurchase companies product.

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