



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Modeling Customer Satisfaction with Green Grocers

David B. Eastwood and John R. Brooker

Alternative outlets for smaller produce growers include co-operatives, farmers' markets, and direct outlets, all of which typically are single locations. Little attention has been given to green grocers. These outlets tend to be spread across metropolitan areas, so consumer travel costs more closely approximate those of grocery stores. Many food shoppers like the personal attention and freshness provided by green grocers. Market opportunities for these outlets can be expanded as their patrons have positive shopping experiences. Therefore, assessments of shoppers' perceptions of store features can be key components of increased demand.

SERVQUAL was originally developed as an index of customer satisfaction with consumer-service businesses. It was subsequently extended to the sale of consumer goods. The results of using the approach to gain insights about customer satisfaction with green grocers were presented. Analyses using the measure focused on the creation of overall indices of related store features across individuals.

A set of 24 feature statements about green grocers was created. Respondents were asked to indicate how important each feature was in terms of their ideal green grocer. They were also asked to rate the respective feature on the basis of their last visit to the store. The 24 statements could be separated into eight subgroups. For example, there were three statements about appearance.

The modeling approach used in the present study made three departures from the traditional approach. First, subgroups of store features were analyzed, as opposed to an aggregate measure. Second, the modeling was in terms of individual respondents, instead of a summary across individuals. Third, separate analyses were used for ideal feature ratings, evaluations based on the respondents' last visits to the outlets, and the difference between the actual and ideal ratings. Likert scales were used as response categories, which resulted in double-censored Tobit regression models for each of the subgroup equations for the ideal, actual, and difference-dependent variables.

Six green grocers in Tennessee were selected to reflect the diversity of these outlets operating in the state. In the summer of 2000 the questionnaire was distributed to 1,000 shoppers at each of the locations. Altogether, 1,118 questionnaires were returned, a response rate of 18.6 percent.

Results indicated the SERVQUAL ratings varied by subgroup for ideal, actual, and difference measures. In addition, the determinants of subgroup scores varied. The ideal ratings tended to be independent of the outlets, whereas the determinants of actual and difference scores were unique to an outlet. Store-specific insights included identification of features for which an outlet was meeting, exceeding, or falling short of customer expectations.

Eastwood and Brooker are professors, Department of Agricultural Economics, University of Tennessee.

This research was funded by the U. S. Department of Agriculture, Agricultural Marketing Service, Federal-State Marketing Improvement Program.