Perspectives of Small Retailers in the Organic Market:
Customer Satisfaction and Customer Enthusiasm

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Abstract. In this paper we discuss the impact of customer satisfaction and enthusiasm on the performance of small retailers in the organic food market. The analysis of customer satisfaction and shop data confirm essential economic effects. The study is based on 948 customer interviews and an analysis of management ratios of 12 organic food shops in Germany. The results show that customer satisfaction is a relevant key to sales performance. Regression analysis reveals that overall customer satisfaction accounts for 32 % of sales per square meter sales area. An additional factor analysis identifies service and product quality as main determinants of customer satisfaction. Consumers consider the freshness of fruit and vegetables as representative for the quality of the whole assortment. A correlation analysis demonstrates that customer enthusiasm is a more accurate factor in the recommendation of shops than customer satisfaction. The paper ends with managerial and scientific implications.

Keywords: retail marketing, success factor, organic marketing, regression analysis

1 Customer orientation as a marketing strategy

Organic marketing is a well researched branch of modern agribusiness marketing. However, most papers discuss consumer preferences, willingness to pay and market segmentation or farmer behaviour. The perspective of organic processors and retailers has rarely been analysed. The following paper deals with the marketing challenge faced by small organic retailers which is the most important marketing channel for organic food in Germany. For the small retail business, it is important to satisfy the customers. The staff acts with a small group of customers, most of them regulars. In this case, the enterprises have a personal and close contact with the customers which provide a chance to build up sustainable loyalty. That is the reason why this survey reveals customer

satisfaction in the small retail business, using the organic market in Germany as an example.

Customer satisfaction studies have been included in the standard repertoire of marketing since approximately 15 years[1]. In the service sectors, especially the food retail industry, the high relevance of service quality for business success is recognized and examined by periodical studies like the European Customer Satisfaction study[2]. The literature documents, in many cases, the effect of customer satisfaction on customer loyalty[3]. Different methods of measurements have been used in the past. Objective measures look into the real performance procedures. Often used, for example, is Silent Shopping, i.e. the hidden observation of sales staff by test persons. In the field of subjective procedures, the explicit measurement of customer satisfaction by surveys plays the largest role together with complaint management[4].

Currently, the professional use of customer satisfaction research is limited to the global players in food retailing. The high price for a professional satisfaction survey deters most small enterprises. As far as we know, there are only a few independent food retailers who use market research to evaluate customer satisfaction. This is problematic considering the relevance of personal relationships for small shops. Because of cost disadvantages, small shops can only survive by achieving high service standards. The withdrawal of small retailers from the food business, for example butcher´s shops or specialised cheese or fish shops, demonstrates that family owned independent firms show substantial deficits[5]. For example, in a study on the butcher business in Germany, it was shown that only one of four companies examined had created a unique selling proposition[6]. This study also demonstrates that butchers are visited by most of the customers only as a matter of habit or because they were near by.

The following contribution presents the methodology and the results of a customer satisfaction survey for the organic food sector in Germany. Specialised organic food retailers are in lively competition with new store formats, e. g., organic supermarkets and conventional supermarkets which have developed their own organic product lines during the last few years. Thus, an objective of the following analysis is to determine the parameters of customer satisfaction and to investigate how the various factors contribute to sales performance. If customer satisfaction is more than a "feel good approach", there should be a link between store attribute perceptions, customer satisfaction, and performance. In contrast to many customer satisfaction studies, the financial value of satisfaction was measured. The results show that customer satisfaction substantially contributes to financial performance, although the small number of participating enterprises allows only first conclusions at the moment.

Chapter 2 gives an overview of the structures of the organic retailing business and the current competitive position in Germany. In Chapters 3

and 4 we discuss the framework and the results of our customer satisfaction research in organic food retailing. It becomes evident that the small organic shops face substantial challenges in the German market.

2 Organic food retailing in Germany

The structure of the German organic market differs strongly from that of other European countries. Whereas in Great Britain and Switzerland, for example, organic food is sold by the dominating supermarket chains, in Germany an important separate marketing channel for organic food exists[7]. In the early days of organic farming, the sales started with direct marketing and in health food shops. In the 70's, the first specialised organic shops were founded. They quickly developed into an important distribution channel[8]. With the environmental movement of the 80's, the number of organic shops grew. Today about 2,000 independently owned stores exist in Germany with sales areas between 50- 200 m² on average.

In the 90's, conventional food retailers introduced the first organic products into their assortment. Currently, from the traditional organic retailer point of view, competition in this market segment is dramatically increasing. On the one hand, conventional supermarkets have continuously improved their organic range and German discounter such as Plus, Aldi and Lidl have entered the market. On the other hand, a new type of organic shop, i.e. the organic supermarket, has become a competitor for organic retailers. These supermarkets rank among the fastest growing marketing channels for organic food and have gained relevant market shares[9]. 300 organic supermarkets with sales area larger than 200 square meters existed in 2005[10].

As shown in Table 1, the distribution of organic food through organic shops is still the most important sales channel with 26.1 % of the turnover in the organic food market, followed by conventional supermarkets with 22.6 %. Another important marketing channel is direct selling by farmers[11].

Table 1. Marketing channels and market shares for organic food in Germany 2004(%)

ORGANIC SHOPS	CONVEN-tional super-markets	Direct sales	Health food shops	Other shopping places	Weekly markets	Organic super-markets	Bake-ries	Drug-stores	Dis-counter	Butchers
26.1	22.6	10.7	6.9	5.9	5.8	5.1	4.7	4.1	4.1	2.6

Source: Michels et al., 2004: 8

The situation on the side of the wholesalers is similar to organic retailing industry. In the first nine month of 2005, the turnover increased by 14.6 % in comparison to 2004. Sales of fresh products such as fruit, vegetables,

milk products and meat have risen by 17 %, the percentage of fresh products accounts for 60 % of total sales [12]. All in all, the market segment is growing fast but characterised by increased competition. The pressure on small retailers is increasing due to their cost disadvantages. The price premium for organic food is still very high, opening opportunities for discounters to gain market shares through low price strategies [13]. In this situation, customer satisfaction is a necessary condition to prevent switching behaviour.

3 Theoretical framework

3.1 Literature review

The methodology described in this chapter represents an application of the seminal multi- item scale (SERVQUAL) developed by Parasuraman et al. (1988) for standardized surveys of service quality [14]. SERVQUAL refers conceptually to an ex- post- evaluation of the perceived service elements. It is differentiated from attitude research by the concrete purchase experience of the customers, thus it builds on a comparison of customer expectations (ideal conceptions of an organic shop) and the experience made with a specific retailer [15]. In agreement with most of the recent publications we assume that an explicit data collection of expectations is not necessary [16]. The relevance of different service components can rather be identified by multivariate methods such as regression analysis. Factors which are decisive for satisfaction in general are described in Chapter 5.2.

There is a growing number of academic studies on customer satisfaction. In a recent publication, Szymanski/Hernard (2001) conduct a meta-analysis [17]. They reveal that fairness and disconfirmation are strongly related to customer satisfaction on average. Among the outcomes, preventing negative word of mouth communication and repeat purchasing are mainly relevant. The findings in different surveys are however mixed.

Customer satisfaction studies in food retailing are reported, for example, by Gail/Scott (1995), Bell et al. (1997), Hackl et al. (2000) and Juhl et al. (2002) [18]. The latter analysed the relationship between customer loyalty, supermarket type and ownership structure based on the results of the European customer satisfaction study and Danish results, especially. In a recent publication, Gómez et al. (2004) describe a comprehensive survey, measuring the links between store attributes, customer satisfaction, and sales performance with data from 250 shops [19]. They show three main antecedents to customer satisfaction in food retailing, i.e. customer service, quality of different products and value for money. Customer service is the most important determinant of overall satisfaction for US supermarkets.

Numerous studies have specified relationships between satisfaction and positive indirect outcomes such as customer loyalty, positive word of

mouth communication, and repurchase intentions. Surveys which integrate direct economic benefits are rarer. Customer satisfaction should cause profitability [20]. Homburg et al. reveal the existence of a strong, positive impact of customer satisfaction on the willingness to pay [21]. Most empirical investigations on customer satisfaction in the food retailing industry do not address the impact of satisfaction on business performance. The most important exception is the work of Gómez et al. (2004), who measured the relationship between satisfaction and sales performance with data from about 250 supermarkets from a publicly held company in the Eastern US[22]. A regression analysis demonstrates that satisfaction explains about 13 % of sales performance.

In the following survey, we analyse the strength of the link between customer satisfaction and economic benefits for a different business environment. Small shops in the organic market segment are independently owned by many shop owners without professional training in the retail industry. Selling organic food is challenging because of the credence quality of the organic attribute [23]. Thus, we assume that personal characteristics and shopping atmosphere will be more important whereas price will be less relevant. The link between customer satisfaction and performance should be higher than in the supermarket business due to the high price level which requires a substantial willingness to pay price premiums.

Another point in our model is the special focus on customer enthusiasm as an additional measurement concept to satisfaction. Customer enthusiasm is more than simple satisfaction. [24] According to the research stream arising from Herzberg´s two factor theory, we assume that enthusiasm is a challenging result of a relationship caused by different factors. Enthusiasm is probably more closely linked to compares on different alternatives and a great deal of surprise. By outperforming customers expectations, enthusiasm is growing.

3.2 Model

The main objective of the following survey is to evaluate the antecedents and consequences of customer satisfaction and enthusiasm for small retailers based on the example of specialized organic stores. Our model (Fig. 1) suggests that overall customer satisfaction (CS) and customer enthusiasm (CE) influence sales performance. We use annual sales per square meter as a performance indicator because this ratio is easy to compare. If we had used profit it would have been necessary to deal with different accounting systems and the comparisons would not have been very reliable [25]. Besides this, not all retailers in our study report profits because they consider them as confidential data.

If we can identify an influence of CS and CE on performance, it is also necessary to identify the factors which have an influence on CS and CE. As a hypothesis we suggest the four components, quality of products, customer service, shop atmosphere and location as main determinants of

overall evaluation. There will also be a connection with the willingness to pay, because organic products are sold at a higher price. Additionally, we suppose that the perceived environmental behaviour of the retailer has an impact on CS and CE because confidence and sustainability are the core attributes of organic food.

As discussed, the economic benefit is measured as the link between satisfaction (enthusiasm) and annual turnover per square meter. Furthermore, we look at the influence of CS and CE on shopping frequency and recommendation to other shoppers.
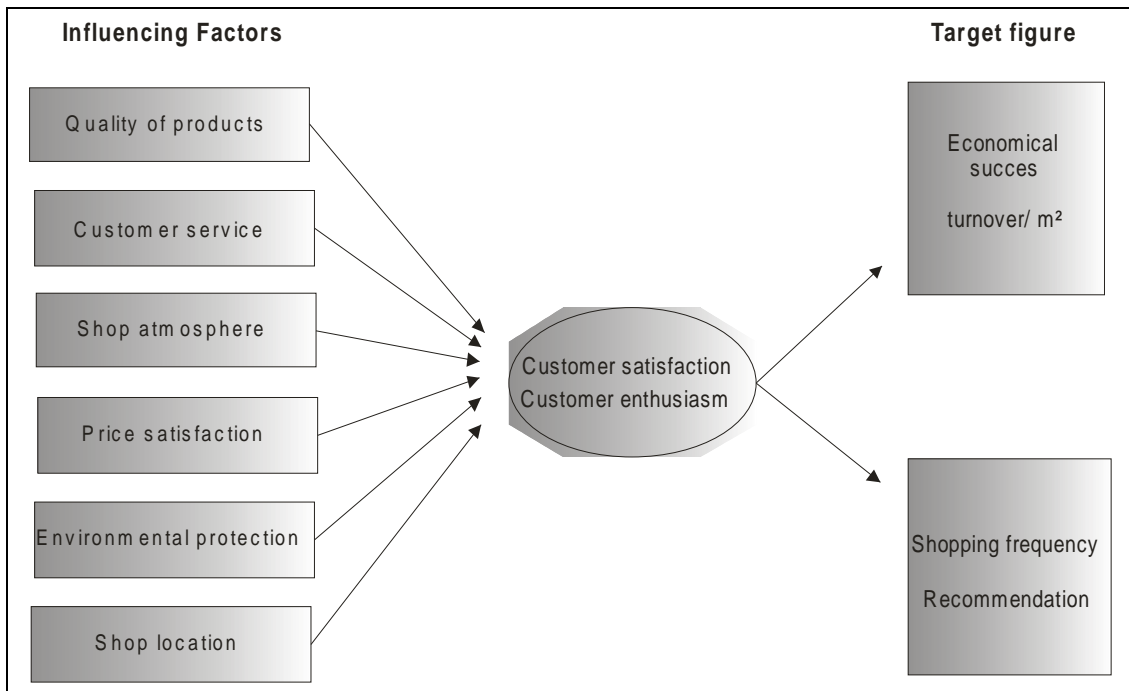

Figure 1. Conceptual model

4   Data and empirical methods

The questionnaire is based on previously published surveys and our own pretest. It consists of 19 question blocks in which 68 items are considered. The first question deals with overall customer satisfaction, followed by statements about the unique selling proposition and the respective store attributes - quality of products, service quality, location, shop atmosphere etc.[26] (see appendix). In most cases the scale is a 5 box likert scale, ranging from - 2 to +2. Additionally, some rating scales are used.

Altogether, 948 customers were questioned in twelve organic shops in different German cities. The organic shops which participated in the study were selected by us from customer databases of organic wholesalers and are not representative for all organic shops. However, the sample represents a broad spectrum of differently sized shops and different locations.

The survey took place in the shops and the staff gave the questionnaires to the customers. Answering the QUESTIONNAIRE takes approximately 10 minutes. The customers could answer the questionnaire either at the shop or at home. The completed questionnaires were collected in a box in order to keep the answers anonymous. 948 customers were surveyed in 12 shops, which is approximately 80 respondents per shop. The average age of the customers was 46 years. 24 % of the respondents had an income which was above average, i.e. a net household income above € 3,000 per month. The educational level of organic shoppers is very high. The largest household group are families, 33 %, followed by couples, 22 %, and singles, also 22 %.

Some economic data about the selected shops was collected by a separate mail survey. The questionnaire contained multiple questions about shop characteristics and data about marketing instruments used, location, competitive situation, the assortment and the shop owner's attitude towards his profession. All shops are specialised organic retailers, only selling articles produced under the EU organic regulations. The smallest shop has 50 m² sales area, which is only a twelfth of the size of the biggest shop with 600 m². One shop in the sample has completely stopped spending any money on advertising; the biggest shop spends € 38,000 per year. The following table shows central characteristics of the stores involved (see Table 2).

Table 2. Shop characteristics

Characteristic	Average of the enterprises	Minimum	Maximum
Sales area in m²	203	50	600
Turnover in €	610,880	225,028	1,900,000
Gross margin	44 %	29 %	55 %
Expenditure on advertising in €	7,204	0	38,000
Staff (on a fulltime basis)	5	1.7	14

5 Results and discussion

5.1 Descriptive statistics

Generally customer satisfaction is very high in our sample, although it varies significantly between the different shops. The shop with the lowest customer satisfaction is rated at 1.32 and the shop with the highest CS is rated at 1.83. This is a difference of 0.51 on a scale from –2 (very dissatisfied) to 2 (very satisfied). The mean is at 1.55, thus most of the respondents are very satisfied.

Customer enthusiasm is an index which is calculated by combining the following two statements: Firstly "This is one of the best organic shops in which I ever shopped" (scale from - 2, strongly disagree, to +2, strongly agree) and secondly "Compared with other organic shops, how would you compare this shop" on a scale from - 2 (much worse) to +2 (much better). The mean of CE is much lower than the CS.

Table 3. Customer satisfaction and customer enthusiasm

Variable	Mean	SD	Minimum	Maximum
Customer satisfaction	1.55	0.16	1.32	1.83
Customer enthusiasm	0.77	0.23	0.43	1.19

Surprisingly, the smallest shop is the best in CS and CE. This shop has specialised in organic fruit and vegetables, with only a small range of products (2,100 products), and the smallest average spending per customer of only € 6.50. The low average spending indicates that the customers live close by and frequent the shop often. The shop with the lowest CS is an organic supermarket. With 470 m² the sales area is nearly the largest of the sample. In this area, the shop sells above 5,000 articles and has an average spending of € 13.50. The average spending is above the mean, which is necessary with such a large range of products. The shop also has ample parking space, so that family shopping can easily be done. The shop with the lowest CE is different from the one with the lowest CS. The latter has only 125 m² sales area and its assortment contains 3,200 articles which is above average (2,888 articles). The average spending is € 9.70 which is half way between the mean (€ 12.44 €) and the best shop (€ 6.50). From the sociodemographic statistics collected in the survey, it is known that many of the customers live nearby. They buy at this shop because of its location and as matter of habit, but they are not really satisfied with the performance.

Table 4. Characteristics of the shops with the lowest and highest CS and CE

Variable	Mean	Shop with lowest customers satisfaction	Shop with lowest customer enthusiasm	Shop with highest customer satisfaction and enthusiasm
Sales area in m²	203	470	125	50
Turnover in €	610,880	513,407	593,500	544,363
Gross margin	42 %	-	65 %	40.5 %
Expenditure on advertising in €	7,205	2,500	9,250	2,413
Staff (full time)	5.04	5	5	3.5
Average spending per customer in €	12.44	13.50	9.70	6.50

| Number of products | 2,888 | 5,311 | 3,200 | 2,100 |

All in all, the results demonstrate that CS and CE are not a question of size. To some extent the success of the smallest outlet with high CS and CE indicates a renaissance of small neighbourhood shops with the new lifestyle strategy of health and wellness.

5.2 Factor analysis

In the next step, factor analysis (using principal component analysis) was conducted to gain an overview of the different facets and determinants of customer satisfaction. First, two variables converge in one factor which can be described as customer enthusiasm (Table 5). KMO value of .50 was obtained. Cronbach's alpha indicates a high reliability (.76).

Table 5. Factor customer enthusiasm in organic retailing

Variables	Factor loading
Compared with other organic shops, how would you compare this shop?	.90
This is one of the best organic shops in which I ever shopped.	.90

KMO: .50; Cronbach's alpha: .76; 81 % explained variance

In the following part, factor analysis was used to test the hypothesis that customer service, quality of products, shop atmosphere, price satisfaction, environmental protection and shop location highly influence CS and CE in organic retailing. Eight factors in Table 6 were extracted, condensing thirty three variables (see Appendix 1). These eight factors account for 68 % of the variation in the thirty three attributes and the alpha values are higher than .7 with the exception of variety in range of products and self-service/speed of shopping. To facilitate interpretation of the factors we used the attributes loading highly on a factor.

Table 6. Reliability of extracted factors

Factor	Cronbach's alpha
Customer service and confidence	.92
Quality and freshness of fruit and vegetables	.84
Quality and taste of cheese and dairy products	.76
Taste of fruit and vegetables	.87
Location of the organic shop	.89
Variety in range of products	.58
Taste of sausage and meat	.78
Self service and speed of shopping	.58

KMO: .88; 68 % explained variance

The revealed factors differ from our model in Fig. 1. Especially interesting is the high importance of different product attributes and categories. Obviously, organic shoppers are characterized by differentiated needs and taste preferences.

5.3 Regression analysis

One objective of the study was to reveal the main factors determining CS and CE. Due to considerable differences between customer satisfaction and customer enthusiasm, it is necessary to calculate two specific regression analyses. In the first stage, we discuss the antecedents of customer satisfaction. Some of the factors in the initial model are not confirmed in the regression analysis (e.g., environmental protection). Customer satisfaction is to a large extent determined by the factors, customer service and confidence (1), quality and freshness of fruit and vegetables (2), variety in range of products (3), location of the organic shop (4), taste of the fruit and vegetables (5) and quality and taste of the cheese and the dairy products (6) (see Table 7). Changes in these factors explain nearly half of the variation in customer satisfaction (R-square=0.42). All other factors have no significant influence on the explanation of CS. The high relevance of customer service and confidence underline the fact that psychological and emotional components determine the buying decision especially for customers of small retailers [27].

Table 7. Regression model to explain customer satisfaction in organic retailing

Independent variables	Beta	t
Customer service and confidence	.44	11.20***
Quality and freshness of fruit and vegetables	.42	11.60***
Variety in the range of products	.12	3.12**
Location of the organic shop	.12	2.96**
Taste of fruit and vegetables	.11	2.74**
Quality and taste of cheese and dairy products	.10	2.43*

Depending variable: Customer satisfaction
Adj. R^2 = .42; F = 45.93***; *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

A second regression analysis is used to test the connection between customer enthusiasm and main variables. Besides the revealed factors, CE is influenced by two single items: low price (price satisfaction) and interior decoration of the shop.

Table 8. Regression model to explain customer enthusiasm in organic retailing

Independent variables	Beta	t
Customer service and confidence	.36	8.33***
Quality and freshness of fruit and	.31	7.63***

vegetables		
Variety in the range of products	.28	7.04***
Low price (price satisfaction) (single item)	.13	2.99**
Interior decoration of the shop (single item)	.12	2.68**
Taste of fruit and vegetables	.11	2.76**

Depending variable: Customer enthusiasm
Adj. R^2 = .45; F = 52.18***; *** $p \le .001$; ** $p \le .01$

In both regression analyses, customer service and confidence, quality and freshness of fruit and vegetables, and the variety in range of products are the most important factors. However, the influence of a broader assortment is higher for CE than for CS. This could be accounted by the pleasant surprise of customers finding a large range of organic products. Interestingly, price satisfaction does not have a strong impact which could possibly be explained by the higher willingness to pay more in organic shops. The minor importance of the price might be due to the expected high price level[28].

6 Benefits of customer satisfaction and enthusiasm

6.1 Customer satisfaction, enthusiasm and loyalty

To measure the effects of CS and CE, we first analyse the influence on retention. Two questions were used in representing the loyalty of customers in our questionaire. The first question was about the recommendation of the shop; the second dealt with shopping frequency.

A correlation analysis shows that there is only a small connection between satisfaction and loyality. The relation between shopping frequency and satisfaction is not significant. However, recommendation and satisfaction show a correlation of .226. Enthusiasm has a greater influence on loyalty. If a shop owner is able to surprise his customers with an outstanding service or a broader assortment, the customer will use the shop more often and, also important, he will recommend the shop to others.

Table 9. Correlation between satisfaction, enthusiasm and loyalty

	Satisfaction		Enthusiasm	
	r	p	r	p
Recommendation	0.226	0.000	0.304	0.000
Shopping frequency	0.065	0.051	0.148	0.000

6.2 Customer satisfaction, enthusiasm and performance

In the next step, the link between CS (CE) and performance is measured. As success indicators it is common practice in research to use different characteristics, whereby, in many studies the data availability decides the indicator[29]. In our survey, it was not possible to gather sufficient data on profits and margins for all retailers. For this reason, turnover per square meter sales area was used[30]. Alternatively, to confirm the validity of the

measurement, a different model was calculated with turnover per manpower, where no substantial differences could be discovered.

In view of the small operating figure, regression analyses with twelve evaluated organic shops showed a good example of strength and statistical significance. The connection between satisfaction and economic success is clearly larger than in conventional retailing[31]. Customer satisfaction can be directly related to 32 % of the turnover per m² sales area (Table 10).

Table 10. Regression model to explain economic performance in organic retailing

Independent variables	Beta	t
Customer satisfaction	.62	2.47*

Depending variable: Annual turnover per m² sales area
Adj. R² = .32; F = 6,11*; * p ≤ .05

The R-square of the regression analysis between economic success and customer enthusiasm is marginally lower. 27 % of the turnover per m² sales area can be explained with the factor, customer enthusiasm (Table 11). Altogether, the high relevance for the operating result moves the management of customer satisfaction and customer enthusiasm into the foreground of marketing activities.

Table 11. Regression model to explain economic performance in organic retailing

Independent variables	Beta	t
Customer enthusiasm	.58	2.23*

Depending variable: Annual turnover per m² sales area
Adj. R² = .27; F = 4,96*; * p ≤ .05

7 Conclusions and implications

In this paper, the customer satisfaction method has been applied to specialized organic food retailers in Germany. We combined data from two different sources, a survey of 948 customers and business ratios of twelve organic stores. With this approach the service-satisfaction-profit-chain was closed[32]. The results provide insights into the antecedents and outcomes of customer satisfaction and enthusiasm in a small business environment. Compared to other studies in the retail business, the impact of the perceived price on customer satisfaction was lower a one might expect and as other studies for supermarkets revealed[33]

Customer satisfaction was revealed to be responsible for 32 % of the economic success. The high R-square demonstrates that customer satisfaction is very closely linked to economic performance especially for small and medium sized retailers. The relevance of satisfaction is significantly higher comparing with the results of Gomez et al., who reveal an R-square of 13 %. Nevertheless, specialized shop formats do not carry out customer satisfaction surveys due to e. g. the costs of market research or an absence of market orientation.

The survey demonstrates the outstanding importance of customer enthusiasm which is closely connected to word of mouth communication and shopping frequency. Customer enthusiasm is something the shop owner will achieve, if he or she can surprise the customer, e.g., with lower prices, a better shop atmosphere and a larger variety in the range of products on offer.

Our survey was not very comprehensive. Particularly, the number of shops was limited due to the ongoing status of the research project. The authors would thus recommend repeating the survey with a larger group of shops. On this basis, in a next step, nonlinear relationships between satisfaction and performance should be tested. For example Gómez et al. (2004) revealed that sales performance is more sensitive to negative than to positive changes in customer satisfaction. They also differentiated between satisfaction-enhancing and -maintaining factors.

All in all, the survey has indicated that determinants and benefits of customer satisfaction differentiate largely between supermarkets and small scale retailers. The latter are highly dependent on the personal relationship and on consumers' trust. This is especially true for organic retailing because of the relevance of customer service and confidence revealed to be the most important factors. Staff management and knowledge are crucial elements for small retailers working in an environment which is characterized by a high degree of credence attributes.

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Appendix: Description of the revealed factors and factor loadings

FACTOR CUSTOMER SERVICE AND CONFIDENCE Cronbach's alpha: .92 Factor loading Competence (What is your opinion of our sales staff?).82 Helpfulness (What is your opinion of our sales staff?).81 Friendliness (What is your opinion of our sales staff?).79 Overall impression (What is your opinion of our sales staff?).79 Advice and service.74 I feel personally supported.70 I have confidence in the staff.67 Information about products (What is your opinion of our service offering?).58 **FACTOR QUALITY AND FRESHNESS OF FRUIT AND VEGETABLES** Cronbach's alpha: .84 Freshness of the goods (What is your opinion of our service offering?).79 Quality of fruits and vegetables (What is your opinion of our service offering?).74 Quality of our products (What is your opinion of our service offering?).66 In this shop I get very good products.64 **FACTOR QUALITY AND TASTE OF CHEESE AND DAIRY PRODUCTS** Cronbach's alpha: .76 Taste of cheese (In comparison: Which product tastes especially good?).82 Taste of dairy products (In comparison: Which product tastes especially good?).69 Quality of cheese and dairy products (What is your opinion of our service offering?).60 **FACTOR TASTE OF FRUIT AND VEGETABLES** Cronbach's alpha: .87 Taste of vegetables (In comparison: Which product tastes especially good?).82 Taste of fruits (In comparison: Which product tastes especially good?).82 **FACTOR LOCATION OF THE ORGANIC SHOP** Cronbach's alpha: .89 What do you think of the location of the shop?.91 How would you evaluate the location?.89 **FACTOR VARIETY IN RANGE OF PRODUCTS** Cronbach's alpha: .58 Variety in range of all products (What is your opinion of our service offering?).72 Variety in range of fruits and vegetables (What is your opinion of our service offering?).57 **FACTOR TASTE OF SAUSAGE AND MEAT** Cronbach's alpha: .78 Taste of sausage (In comparison: Which product tastes especially good?).76 Quality of meat and sausage (What is your opinion of our service offering?).67 Variety of meat and sausage (What is your opinion of our service offering?).60 **FACTOR SELF SERVICE AND SPEED OF SHOPPING** Cronbach's alpha: .58 Sometimes shopping takes too much time (Would you agree with this statement?).81 I would prefer more self-service (Would you agree with this statement?).80 KMO: .88; 68 % explained variance