

**A STUDY ON CONSUMER PERCEPTION TOWARDS
MARKETING OF MILK IN CHITTOOR, ANDHRA
PRADESH STATE**

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ABSTRACT

Marketing is an integral functional activity of all human beings in their day-to-day life. It is a body of knowledge capable of influencing the development of individuals and also organization. Presently, marketing has occupied a predominant role in the process of industrialization which in turn emerged as a concept for the economic development of a country. Even in these days mostly unorganized private traders who turned milk trading into an exploration market are representing milk marketing. The economic importance of dairying has been felt only after the success of co-operative milk producers union, khaira. Dairy development has its profound impact on nutrition as well as income. Greater employment on income can be generated through dairy industry in the agricultural sector. This holds true, especially in the case of an agrarian country like India. An opinion survey has been conducted in Chittoor district, Andhra Pradesh for a period of Six months and the findings have been presented with suitable suggestions for the improvement. It has been felt that a well conceived and organized net work of dairy co-operatives right from the village level would be essential for the speedy growth of dairy production in the country.

Key words: - Consumer Perception, Marketing of Milk, Milk Booths.

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INTRODUCTION

Consumer is a person who buys or uses things (goods) or services. Marketers are the persons who provide these services. The most challenging questions for marketers are why buyers do what they do (or don't do). Such knowledge is critical for marketers, since having a strong understanding of buyer's behavior will shed light on what is important for the consumer and also suggest the important influences on consumer decision-making. Factors affecting consumers' buying decisions are extremely complex. It is deeply rooted in psychology with dashes of sociology thrown in just to make things more interesting. It explains the influences on the consumer from groups such as family, friends and society in general. Consumers behaviour, preferences and attitudes towards consumption of dairy products differs substantially across countries (Bus & Worsley, 2003; Francesconi, Heerink & DHaese, 2010; Grunert, TionBeck Larsen & Bredahl, 2000; Hatirli, Ozkan, & Aktas, 2004; Hsu & Lin, 2006; Richardson Harman, 2000; Robb & Abdel-Ghany, 2007; Yee & Chin, 2007). Grunert et al. (2000) discuss that consumers perceptions of dairy product quality are complex and involve much more than sensory attributes. They contend that consumers consider four dimensions when forming perceptions about dairy product quality: (i) Hedonic (e.g. sensory attributes such as taste or smell), (ii) Health-related, (iii) Convenience-related and (iv) Process-related (e.g. production processes such as organic, animal welfare or genetic modification). Thus, manufacturers/ processors and marketers must understand the role each of these dimensions plays in driving consumer demand for dairy products and realize consumers may be heterogeneous in their preferences or perceptions of what constitutes dairy product quality. In the fast growing world of consumerism, it is necessary for every organization to study their customer preference for dairy products to identify the underlying factors for preference of dairy brands as well as make suggestions for the company to take the right market to be a leader in the market to the dairy products.

Marketing is a point which the worth of the products is decided on the basis of the consent of consumers. According to Peter Drucker (1959), an industrialist should acquire the knowledge of two capabilities viz., purpose and innovations. The purpose is achieved by innovation. Innovation in turn influences the purpose in accordance with the modified norms of the society. Modern marketing is a dynamic field. Products could be to the best satisfaction of the users and at a profit to the marker. Marketing as a technology, its transparency is to decide what should be produced, how and when product could be most effectively distributed among the customers. An industrialist has to phase the challenges as per the changing

situations caused by human behavior to growth with change is to be adapted for the prosperity of the community.

Man and milch animal lived in proximity and their relationship dates back to the origin of civilization. Prior to urbanization, the usual practice was to consume milk in its fresh form or after simple processing. The extra milk used to be converted into short term conserved product or pudding that were consumed in a phased and leisurely manner. But the organization alienated the modern man from the milch animal away from each other resulting in the need for processing and packaging of milk and its product. The place of human dietary system itself indicate the importance of milk as well as by products

Milk is an indispensable item of consumption for human being. It is an excellent beverage for the convalescent and is also required for variety of refreshments for mixing with coffee; tea etc. milk is one of the few foodstuffs consumed in its natural state. It is the only commodity in the diet with the exception of honey, whose sole function in nature is to serve as a balanced food item. Today, a common expression used in reference to nutrition is that the milk is the wholesome diet. Not only it is the most important food during childhood, but also in one form or the other, it continues to be in our normal diet throughout our life. Milk constitutes the most important source of nourishment for both vegetarians and non-vegetarians. However, its importance to the consumers is next only to that of their staple food.

The consumers play a vital role in the marketing of dairy milk. Several factors influence the consumers in and buying the milk and milk products. Based on the experience, it was realized that there was need for an organized dairy. It was felt that a suitable infrastructure must be evolved to help increasing milk production and its availability. Such institutional support should aim at safeguarding the interests of producers as well as consumers of milk. There are three forms of organization viz, private, public and cooperatives engaged in production, procurement, processing and sales of milk. The private operators have always been interested in maximizing their own profits and are not concerned with productivity of milk. Therefore, not much could be expected from this sector. The public sector has also similarity failed to provide an alternative organized institutional support to sustain dairy industry at state level. The burden thus has fallen on the cooperative sector. The formers' cooperative has been organized to help developed dairy as an industry. Cooperative sector has the built in potential for industrialization. The dairy has it incorporate the necessary provision for direct involvement of milk producers in the process of transacting

business beyond production level. It is through cooperative sector that proper learning environment can be created for inculcating a commercial thinking among its members. The cooperative efforts eventually led to their economic development. Thus, in the dairy sector cooperatives have been effective instrument to improve the milk production potential and ameliorate the socio-economic life of millions of small and land-less cattle owners scattered over large areas. The objectives of the present study are.

- To study the attitudes of the consumers towards the dairy milk.
- To identify the factors influencing the demand for milk from the dairy.
- To analyze the reasons for household choice for milk from the private vendor and
- To provide the suitable suggestions for efficient and successful operations of the dairy in supplying milk to the consumers with an idea of strengthening the existing arrangements of milk distribution channels.

METHODOLOGY:

For the purpose of examining the above objectives, a questionnaire has been designed. It has been decided to interview 400 households covering the area of the Chittoor Cooperative Dairy (CCD) to the extent possible. Effort was made to include a cross section of consumers covering different aspects such as, influencing location of demand for milk, home delivery, methods of supply, price of the milk and its quality, consumers tasted and the degree of realization in relation to nutrition awareness among the public etc. Thus an attempt has been made represent different households at various levels in this way the work has been undertaken to study the period November 2013 to April 2014.

SOURCE OF MILK SUPPLY:

Chittoor district, famous for its milch cattle population and excessive dependence of people on dairy industry, is gearing for yet another dairy revolution. Chittoor Cooperative Dairy, managed by National Dairy Development Board (NDDB), suffered a setback during the last decade and became defunct. Subsequently, the district administration groomed its offshoot '*Balaji Dairy*' in Tirupati as an alternative. The Chittoor Cooperative Dairy created flutters last year by taking on the private dairy lobby and wooing cattle rearers with lucrative offer that clicked well. The setting up of a number of bulk milk cooling units (BMCU) and the tie-up with Velugu (Indira Kranti Patham) groups for procuring milk became a roaring success.

Availability of different source of milk supply has been identified. Broadly there are four source of milk supply viz. Chittoor Cooperative Dairy (CCD), private vendors, own

milch cattle, and partly from dairy and partly from private vendors. The sample consumers were asked indicate the main source from which their milk requirements are met. The sample households of 400 are arranged according to their source of milk purchase. *Table 1* reveals that about 49% of the sample households purchase milk from private vendors. The dairy is able to cater less than 30% of the sample families. This establishes that majority of the families are purchasing milk from private vendors. The CCD has to expend their marketing activity to bring more families under its fold.

LOCATION OF MILK BOOTHS:

It has been felt that one of the main reasons for not purchasing milk from the dairy is the non-availability of dairy milk within reasonable distance from the residence of consumer houses. Therefore, those sample families were asked to state their opinions regarding the location of the milk booths. The families purchasing milk from dairy were classified according to the nature of answer given. *Table 2* indicates the details nearly 75% of the families indicated that the location of the milk booths either close the residence or located within a reasonable distance. 25% of the families indicated that the milk booths are located distantly from their residence.

Table1: Source of Milk Supply of Respondents from November 2013 to April 2014

Source	No. of families	Percentage (%)
Diary	113	28.2
Private vendors	194	48.5
Own milch cattle	25	6.3
Partly from diary and partly from vendors	68	17.0
Total	400	100

(Source: Field investigation)

Several households reported that the housewives are unable to collect the milk in person from the milk booths as it involves time and energy. They are forced to employ the servants for the collection of milk from the booths, which involves additional cost and delay.

Table2: Respondents according to the location of Milk Booths

Location	No. of Families	Percentage (%)
Distant	102	25.50
Not very distant	169	42.46
Close to the residence	129	32.04

Total	400	100
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(Source: Field investigation)

METHODS OF SUPPLY OF MILK:

The sample households expressed dissatisfaction with the present arrangement of milk supply directly from the booths. They suggest the next best alternative methods of supply of milk. These families are classified into two groups on the basis of the nature of the alternatives suggested viz., the home delivery and direct purchases. It is shown in *table 3*. Nearly 60% of the families felt that the supply of milk through polythene sachets by home delivery is advantageous. They indicated their willingness to pay additional cost in case of supply of milk through home delivery. The remaining 40% consumer families felt that no additional costs need to be incurred in the case of delivery. However, home delivery of milk by the private vendors strongly influences the households' choice of buying milk from the private vendors.

Table 3: Methods of milk supply of respondents

Alternative method	No. of families	Percentage (%)
Home delivery	248	59
Direct purchase	152	41
Total	400	100

(Source: Field investigation)

QUALITY OF MILK:

One of the main purposes of this survey is to ascertain the attitude of the consumers towards the quality of Dairy milk. This will facilitate the Dairy to bring about necessary changes in the quality and supply of milk to the satisfaction of the consumer. The sample families purchasing milk from the Dairy were asked to state their opinions regarding the quality of milk. On the basis of information ascertained, the sample households were classified according to the type of answers given viz., High, Medium and Low quality.

According to Table-4 more than 59% of the families expressed that the milk supplied by the Chittoor Cooperative Dairy is of medium quality. About 32% of the families consider that the milk supplied by the Dairy is of low quality and less than 9% felt the milk as high quality. The quality of the milk is primarily judged on the basis of level of fat content in the milk. Generally, the dairy milk is standardized at 3% fat since the opinion of the families is for high quality milk, the Chittoor Cooperative Dairy should take steps to increase the fat

content or introduce two grades of milk to improve sales. Several in the higher income groups expressed that the Dairy milk contains less fat as compared to milk from private vendors. However, that proportion is small is sample.

Table 4: Quality of milk supply

Quality	No. of employees	Percentage (%)
High	35	8.7
Medium	237	59.3
Low	128	32.0
Total	400	100

(Source: Field investigation)

ATTITUDES TOWARDS THE DAIRY MILK PRICE:

The sample consumer household purchasing milk from the dairy was asked to express their opinions regarding the dairy milk price. They were asked to indicate whether the price at which the dairy milk is sold i.e., low, high or not very much high. The sample families were distributed according to the nature of opinions expressed in table5. As per the table, it is evident that more than 68% families purchasing milk from Dairy indicated that the price of dairy milk is relatively higher than the price charged by private vendors. Nearly 24% of the sample families consider milk price as moderate and less than 18% feel that the price is relatively low. They regarded that the price is higher even though the fact content is low when compared to private vendors. However, majority of these expressed serious doubts about the regularity of milk supply by the private vendors.

Table 5: Attitude towards the dairy milk price

Attitudes dairy milk	No. of families	Percentage (%)
Low	71	17.8
High	231	58.6
Not very high	98	23.6
Total	400	100

(Source: Field investigation)

HOME DELIVERY OF MILK:

One of the important considerations for the household choice of buying milk from the private is the facility of home delivery milk. It strongly influences the household choice of purchasing milk. It ensures saving of time, energy and assured supply. Families purchasing milk from the private vendors were asked to assign ranks for the reasons of home delivery.

These ranks are given in Table 6. It is ascertained from the table that 33.5% of the sample families purchasing milk from the private vendors assigned first rank and 26.5% second rank for this reason. Thus it is proved that the home delivery of milk by the private vendors is an important consideration for the household decision to purchase milk from the private vendors. There is no such facility in the Chittoor Cooperative Dairy. Hence the Chittoor Cooperative Dairy has to think about the system of home delivery of milk in order to being more consumer families under its fold.

OTHER REASONS:

Other reasons for house hold preference to private vendors are the non-availability of milk in small packing less than half a liter. Several of the families belonging to lower income groups strongly felt that such facility is essential to enable them to purchase dairy milk. It is also true with small size families irrespective of their economic status.

Table 6: Families ranking of home delivery

Ranking	No. of families	Percentage (%)
1	133	33.5
2	105	26.5
3	63	15.5
4	56	14.0
5	43	10.5
Total	400	100

(Source: Field investigation)

SUGGESTIONS:

1. In the Chittoor town areas, round the clock milk supply is much required. Some booths with preservation facilities would improve the sales in a significant way.
2. For any product, publicity gives new life and blood. Most of the consumers are unaware of the nutritional value and importance of pasteurized milk values and other details of the Dairy milk. Hence the Chittoor Cooperative Dairy should set out a publicity network for different milk and milk products.
3. Some of the working conditions of the Vendors are very poor. There is no shelter for milk booths in certain areas. These are placed in insanitary conditions around the booth. Hence, by providing minimum facilities, the sales can be improved.
4. Market research is to be conducted to find the demand for milk and to explore the marketing potentials for milk and milk products.
5. Effective training should be provided to the vendors and Personnel in order to improve the sales and techniques of marketing.

6. A dairy advisory board may be constituted comprising representatives from the concerned organizations and the public.

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