Chapter VI

ANCILLARY FUNCTIONS

Important functions of marketing are product planning, storage, Purchase and selling transport and warehouses. Without these factors marketing is impossible. But some of the functions are involved indirectly with the marketing. Neither is it related with transferring of ownership of goods and services nor with completing other works. Other than this, for successful marketing these works are used. Therefore, this type of functions are called as Ancillaries of marketing functions, standardization, grading market Information, quality control, research and development, marketing risk, marketing finance etc.

It is not necessary for all enterprises. It depends upon the nature, size and objectives of the enterprises. Pradeshik Cooperative Dairy Federation is a Cooperative Institutions, Whose business is related with milk and milk products. Federation’s working area is limited to states, still Federation sells its products out of state too. But now also its main working area is its state. With this view point its ancillaries marketing are – advertisement and publicity, trade promotion, quality control and research and development.

Advertisement and Publicity:

Advertising educates the people about new products and their uses. It is advertising which has helped people in adopting new way of life and giving up old habits. It has contributed a lot towards the
betterment of the standard of living of the society. Advertising helps in spreading information about the advertising firm, its products, qualities and place of availability of its products and so on. It helps to create a non-personal link between the advertiser and the receivers of the message. The significance of advertising has increased in the modern era of large scale production and competition in the market. Advertising is needed not only to the manufacturers and traders but also to the customers and the society. Advertising is a paid communication of goods and services. We consider it paid communication as the advertiser is required to pay for the space and time. It is a major promotion tool. “Advertising consists of all the activities involved in presenting to a group a non-personal, oral or visual, openly sponsored message regarding a product, service or idea. Advertising as any paid form of non-personal presentation and promotion of goods and services or ideas by an identified sponsor. Advertisement as the dissemination of information concerning an idea, service or product to compel action in accordance with the interest of the advertiser.

Publicity involves the mention of a company and its product in newspapers, trade publications, radio and T.V. The Company does not pay for this service. It also does not have control over the length and type of message conveyed. Generally, new products, services or ideas are reported in the media as a news item. Thus, role of publicity in promotion is limited. Publicity as any form of commercially significant news about a product, an institution, a service, or a person published in space or radio time that is not paid
for by the sponsor⁴. Thus the main distinction sought to be brought out was that publicity is “not paid for by the sponsor” whereas advertising is in this part, however, these words will be used as synonymous for practical purposes.

Advertising has become an essential marketing activity in the modern era of large scale production and service. Competition in the market. It promotes the sale of goods and services by informing and persuading the people to buy them. A good advertising campaign helps in winning customers. It helps in the introduction of new products in the market. A business enterprise can introduce itself and its products to public through advertising. Advertising enables quick publicity in the market. It facilitates large scale production. The business knows that it will be an able to sell on a large-scale with the help of advertising. The purpose of advertising is to reduce percentage costs of production and distribution⁵. Same way we can say that advertising is to sell goods, services or ideas to a large group of prospective purchasers⁶.

The advertising is considered the backbone of national or global economy. It has made possible rapid industrialization and economic transformation. No doubt, it is an indispensable tool of the promotion mix which is supplemented by the selling. It is either mint or advertising which are found instrumental in making money. By facilitating mass production and mass distribution, the advertising has been efficacious in raising the standard of living of the society. In a virtual sense, it is the propelling power. In this context, the claims of advertising and publicity are I am the voice of
today. The herald of Lummorrow. I weave into the wrap of the past, the woof of the knowledge and power. It is beneficial to the manufacturers, consumers, middlemen and the society.

The advertising may be categorized as primary or selective demand advertising, product or institutional advertising, direct action and indirect action advertising, National or local advertising, consumer, industrial and trade advertising, cooperative advertising. Advertising objectives and aim are kept in mind while selecting one of the type of advertising. Advertising decision making is effected by nature of market, needs of financial resources, areas of publicity medium, nature of market, needs of financial resources, area of publicity medium, nature of customers, nature of competition, advertising message etc. The effectiveness of advertising depends of the decision making which includes, defining the objectives, advertising appropriation, advertising message, selection of the media and advertising budget. Advertising budget includes different methods. Those are percentage on sales method, affordable method, competitive matching or parity method, objective and task method and marginal revenue method.

Advertising media are mainly divided into four parts. Those are indoor advertising media which includes press media, radio, television, film, video, cable media. Outdoor advertising median includes posters, painted displays, traveling displays, electric signs, sky-writing, sand witchmen. Direct advertising media includes envelop enclosure, broad sides, booklets and catalogues, sales settlers. Ciftnovelties, store publications, package inserts and at
last fourthly comes display advertising media which includes displays, showrooms and show-cases, exhibitions etc. 8.

As relating to advertising policy of Pradeshik Cooperative Dairy Federation. Federation is an Cooperative marketing institution whose objective is not to earn more and more profit, but its objective is to fulfill the special needs of the society. Hence, Dairy Federation objective is not to increase the sale by advertising only. And also Federation doesn’t want customers to be attracted by the medium of Advertising and publicity. Its objective is to fulfill the milk needs of cities customers and in other hand Federation want to encourage farmers towards milk business along with the agriculture. But, this doesn’t means that advertising is not necessary for this institution. In present time Advertising is necessary for all those institutions who are engaged with the sale of any type of goods and services. Dairy Federation also does advertising as its objective is to give the information of different types of its milk products and give the knowledge of its quality and to secure customers or society in present and future from the private milk sellers. Dairy Federation is one of the institution, who if increase the price of one product if necessary then will reduce the price of another product in other hand. Other than these, Dairy Federation does advertising for other objectives also. Table 6.1 presents the advertising and publicity expenses of Pradeshik Cooperative Dairy Federation. It is clear by analyzing this table that Federation has been tried to increase the sale by advertising and publicity because it shows under the study period increase in
advertising and publicity expenses. Time to time its advertising and publicity expenses are decreasing also. It means that Federation is improving its sale by advertising and publicity.

**Table 6.1: Advertising and Publicity Expenses of P.C.D.F.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Advertising &amp; Publicity Expenses (in lakh)</th>
<th>Increase/Decrease Comparative (%)</th>
<th>(Base Year 1994-95) Index Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>2.44</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>1995-96</td>
<td>3.02</td>
<td>23.77</td>
<td>124</td>
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<tr>
<td>1996-97</td>
<td>26.99</td>
<td>793.70</td>
<td>1106</td>
</tr>
<tr>
<td>1997-98</td>
<td>24.85</td>
<td>-7.93</td>
<td>1018</td>
</tr>
<tr>
<td>1998-99</td>
<td>0.29</td>
<td>-98.83</td>
<td>12</td>
</tr>
<tr>
<td>1999-2000</td>
<td>28.45</td>
<td>9710.34</td>
<td>1166</td>
</tr>
<tr>
<td>2000-2001</td>
<td>16.19</td>
<td>-43.09</td>
<td>664</td>
</tr>
<tr>
<td>2002-2003</td>
<td>18.94</td>
<td>16.99</td>
<td>676</td>
</tr>
<tr>
<td>2002-2003</td>
<td>25.01</td>
<td>32.05</td>
<td>1025</td>
</tr>
</tbody>
</table>

**Source:** Complied Annual Report of P.C.D.F., Lucknow.

In the year 1994-95 advertising and publicity expenses of Federation were Rs. 2 lakh approximately, which increased in the next year 1995-96 and also increased to Rs. 27 lakh in the year 1996-97 also which was about 794%. In Comparison to previous year. But in the next year 1997-98 it reduced slightly upto Rs. 25 lakh which decreased of 8% only. But again in the next year there was a lot difference in the advertising and publicity expenses that
was less than Rs. 1 lakh that reduced to 99% in comparison to previous year. But again in the year 1999-2000 it increased to Rs. 28 lakh which was 971%. But in the next year 2000-2001 it reduced to Rs. 16 lakh. Then, from the year 2001-2002 it started increasing up to the last year of the study period that was Rs. 25 lakh. It means that it has increased to 10 times in the study period of 1994-95 upto, 2002-2003. Its index was 1025 assuming the base year 1994-95.

**Trade Promotion:**

Trade promotion is very broad sense in marketing functions. Work done to increase the business and to attract the customers other than advertising and publicity is called as trade promotion. To be more specific in a competitive economy, it is not possible to go and remain at the peak, unless we prepare the ground for future expansion and evolve new ideas for creating favorable selling conditions. It is sales promotion which back up the pre-selling and stimulates the impulse buying. It attracts the potential buyers and keeps the actual users moving behind the product. “Sales promotion helps salesman to do a better job of selling by making advertising work more effectively. It is a vital function of modern marketing, and it is the close coordination of sales promotion, advertising and personal selling that result in effective selling. Sales promotion backs up the pre-selling done by advertising and stimulates the impulses to buy⁹. Sales promotion means any steps that are taken for the purpose of obtaining or increasing sales. Sales promotional activities or devices aimed at reaching the
consumer at home or in his business establishment are generally in the form of samples, contests, demonstrations and coupons. Sales promotion directed at consumers may be done with a view to increase the product’s rate of use among existing consumers or to attract new customers to the Company’s product. It may also be undertaken to retaliate against a competitor’s sales promotion or other activities.$^{10}$

In a virtual sense, sales promotion has three specific objectives. The first is to communicate marketing information to the potential buyers or actual users or resellers. The second is to persuade and convince them by exercising persuasive measures. And the third is to act as a powerful tool of competition. The main objective of a sales promotion scheme is to attract the perspective buyers towards the product induce him to buy the product at the point of purchase.$^{11}$

Trade promotion is a vital ingredient of the promotion mix. In the present day world we can’t underestimate the outstanding significance of the promotional efforts. In the modern marketing, its importance has increased because it has become essential to think in favour of the evolving of the new ideas, particularly for creating the selling conditions, promoting sales and preparing a favorable ground for future expansion. In a virtual sense, it is a vital link between the personal selling and advertising. We consider it persuasive communication. We find its utility for manufacturers, middlemen and advertising. We consider it persuasive communication. We find its utility for manufacturers, middlemen
and consumers. Benefit sales promotions differs for manufacturers, help in creating new market, continuing the actual users, minimizing the cost, inducing the middlemen, excelling competition. For middlemen- induce selling, increase in selling increase in profit and lastly to consumers information of new goods, opportunity to participate in the contests increasing the standard of living and goods at lower price.

Trade promotion work is also done by Pradeshik Cooperative Dairy Federation. To attract customers towards their products, to encourage the interest of customers and to increase the sale of Federation is the aim of Trade Promotion. Trade promotion work is done by oil painting by Federation. This work is done by different color picture on Factory Gate and Walls. Not only has this it also attracted the customers by painting on trallies and on their transport. The most important point which is to be noted that it also attracts the future customers to purchase their products. For example they revolve the school children’s and house wife’s give them milk products to eat. It is not an big work but still it attracts the children and house wife’s in future also they can become their customers. In this way they provides their services to visitors also. Except these Federation also encourages agents.
Table 6.2: Total Expenses on Trade Promotion of P.C.D.F.

<table>
<thead>
<tr>
<th>Year</th>
<th>Advertising &amp; Publicity Expenses (in lakh)</th>
<th>Increase/Decrease Comparative (%)</th>
<th>(Base Year 1994-95) Index Numbers 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>7.31</td>
<td>(-)</td>
<td>100</td>
</tr>
<tr>
<td>1991-92</td>
<td>13.61</td>
<td>86.18</td>
<td>186</td>
</tr>
<tr>
<td>1992-93</td>
<td>11.65</td>
<td>-14.40</td>
<td>159</td>
</tr>
<tr>
<td>1993-94</td>
<td>15.55</td>
<td>33.48</td>
<td>213</td>
</tr>
<tr>
<td>1994-95</td>
<td>11.61</td>
<td>-25.34</td>
<td>159</td>
</tr>
<tr>
<td>1995-96</td>
<td>15.03</td>
<td>29.46</td>
<td>206</td>
</tr>
<tr>
<td>1996-97</td>
<td>17.18</td>
<td>14.30</td>
<td>235</td>
</tr>
<tr>
<td>1997-98</td>
<td>9.21</td>
<td>-46.39</td>
<td>126</td>
</tr>
<tr>
<td>1999-2000</td>
<td>9.80</td>
<td>24.05</td>
<td>134</td>
</tr>
<tr>
<td>2000-2001</td>
<td>6.56</td>
<td>-33.06</td>
<td>90</td>
</tr>
<tr>
<td>2002-2003</td>
<td>8.55</td>
<td>30.34</td>
<td>117</td>
</tr>
<tr>
<td>2002-2003</td>
<td>5.59</td>
<td>-34.62</td>
<td>76</td>
</tr>
</tbody>
</table>


Table 6.2 presents the trade promotion expenses of Pradeshik Cooperative Dairy Federation. It is clear by analyzing this table that in between the study period 1990-91 to 2002-2003 it increased to 0.76 times. In the year 1990-91 RS. 7 lakh approximately was expended for trade promotion. This way in one year only it increased to 2 times. After that it shows a very fluctuating trend. So it is very difficult to explain this. But still we can say that upto the year 1996-97 its expenses was in between Rs. 11 lakh to Rs. 17 lakh. But after that it reduced to 46% that was Rs. 9 lakh to Rs. 17
lakh. But after that it reduced to 46% that was Rs. 9 lakh in the year 1997-98. But in the next year again it reduced to Rs. 8 lakh. In this way it continue fluctuates. But at last in the study period it reduced to more than Rs. 5 lakh that was in the year 2002-2003.

**Marketing Risk:**

Risk is a universal business – phenomenon and is present in some form or the other in all business-activities including marketing. Modern marketing is very much vulnerable to risks primarily because production today is done much before (in anticipation of actual demand and there is a big time-lag between production and final sale. Risk may be defined as uncertainty in regard to cost, loss or damage. As regards marketing risks, it has been defined as the danger of loss from unforeseeable circumstances in future. From the time goods are produced in anticipation of demand, to the time they are sold, they are subjected to many risks such as those of theft, fire, destruction, deterioration in quality, loss in storage and transportation, losses arising out of fluctuations in prices or changes in fashion, severe competition and so on. Since, all these risks are closely related to the process of marketing they are all part and parcel of marketing risks. Marketing Risk may be thought of the possibility and therefore the probability of business loss arising from the various forms of uncertainties that effect the factors involved in the marketing process. Thus, risks pervade all business activities of which marketing is an integral part. No marketer will ever be able to withstand in today’s complex
Marketing risks are of different types they can be classified as economic risks which includes time risk, place risks and competitive risks, as human risks includes personal risk and customer risks, as natural risks like flood, fire, earthquake etc. and Lastly political risks.  

Pradeshik Cooperative Dairy Federation’s marketing process is full of risk. Spoilage of milk while bringing it from milk Committee to plant, spoilage till it is sold to customers. Milk spoils when there is leakage in packet, spoilage of milk by reducing demand because milk I perishable nature goods. Along with these human risk is also
in milk business. That is theft of milk and milk business. That is theft of milk and milk product by employees, mixing something else in milk etc. Dairy, Federation bears loss because of these types of risks. Except these all Federation has risk in performing different development work. To secure themselves from these risks Federation has done many trails on its level. But still General Reserve Fund is the main source of it. Another source is Grand’s and Assistance. These Grand’s and Assistance are received from different agencies. In which Central Government and State Government are the most important. Except these Grand’s and Assistance are received to apply on other different schemes also. In the year 2002-2003 Federation has got Rs. 233 lakh. Grand’s and Assistance for 28 works. This Grand’s and Assistance objective is to help the Federation to make themselves sound and to implement the programmes properly. It is the indicator that Federation bears many types of risk for which they are provided Grand’s and Assistance.

But it is not an good sign that Grand’s and Assistance are used often Federation should utilize its internal sources and should not depend upon Grand’s and Assistance often. For this Federation has to prepare marketing strategy, financial strategy, production strategy and organizational strategy. Along with this Federation has to take help from pre planned programmes for risk covering. Hence, some risks are unavoidable in marketing risk. So for that type of risk Federation should make themselves to be prepared, how reduce the bad effects of those types of risk. Federation can
determine programmes on different level. Along with this Bima opportunities can be searched for selling work. From which necessary risk can be covered.

**Standardization and Grading:**

The setting up of standards of specifications of a product and maintaining these standards are known as standardization. Standardization is the basis of grading. It makes the grades stable till the standards are revised. “Standardization” as the determination of basic limits or grades in the form of specifications to which manufactured goods must confirm and classes into which the products of agriculture and the extractive industries may be stored\(^\text{15}\). Standardization facilitates trading as the product standards are known to the parties. Standardization of good help in the sale of goods by convincing the customers about the quality of the goods. The customers which fulfill their requirements. Standardization is the general term which includes the establishment of standards for product, the inspection of products in order to determine the standards to which they confirm and where necessary the loting of products into lots confirming to establish standard\(^\text{16}\). When the products are of standardized quality, the task of the middlemen becomes easier because they are not required to explain much to the customers. Moreover, standardized goods fetch higher price from the customers who are quality conscious.
Grading means division of product into different grades or classes made up of units possessing similar qualities as regards size, weight, and quality. Grading is done in accordance with the specifications set up by the standards. Grading is the division of products into classes made up of units possessing similar characteristics of size and quantity. Grading enables the producers in directing the goods of different qualities towards the markets suited to them. Graded products can also be sold by sample and description. Grading creates a good impression on the customers because the customers are ensured that the goods are of uniform quality. In short, grading is a device by which upgraded goods could be divided into uniform lots on the basis of certain characteristics such as quality, size, shape, color, texture, degree of cleanliness, acidity, and so on and so forth. The most notable object of grading is to prepare goods so that they will best meet the demands of the market and a common standardized nomenclature can be utilized in bringing about an understanding between the buyer and the seller.

All the important functions expected to be performed by marketing are greatly facilitated by standardization and grading enumerated improves physical handling of products, lends momentum to marketing activities, it lessens marketing risks, facilitates easy comparison of value, reduces the cost of advertising, possible easy availability of finance, gives consistency to market information, reduces the cost of marketing, boosting up exports. Grading is today considered to be necessary pre-requisite for an
orderly and scientific marketing programme. It assumes significance particularly in respect of agricultural products where great variations are found in between the products of different farms and different seasons. A producer cannot expect a genuine and remunerative price for his produce without resorting to a systematic programme of grading. Grading proves to be equally beneficial for the consumers as well. A consumer cannot get high quality goods unless the same is carefully graded. In this way, standardization and grading, both are beneficial for consumers, sellers and the society. P.C.D.F. has also used standardization and grading for its products marketing. It is done for both liquid milk and milk product.

**Grading of Liquid Milk:**

As it is clear from the previous chapter that in present 5 types of milk are marketed under Parag Brand. It is determined on the basis of Fat and S.N.F. Complete milk comes under first grade. The milk containing 6.0% Fat and 9.0% S.N.F. is called complete milk. Standard milk comes under second grade which contains 4.5% Fat and 8.5% S.N.F. Toned milk comes on third grading position which contains 3% Fat and 8.5% S.N.F. so it is clear that on the basis of Fat milk is graded. Because S.N.F. is more than the complete milk, Toned milk and standard milk but fat is less than the above mentioned milk grading. Fit milk comes on fifth position. As its specialty is that Fat is 0% in other hand S.N.F. is 9.1% which is the highest in above all mentioned milk.
Grading of Milk Products:

There are many milk products which is sold under the Parag Brand Name, which includes, Butter, Cheese, Ghee and Skimmed Milk Power are the main. It is divided into different grading on the basis of weight. But quality of product is equal. Except this many, Cooperative Dairy Units also sells other grading milk products, which includes milk cake, cheese, sweets and saulty lussi etc. Quality of milk products can be increased by research and it can be done n the bass of consumers interest needs etc. Like liquid milk, milk products are also graded on the basis of different age group or different conditions of peoples.

Marketing Finance:

Finance is the most important ingredient of all economic activities. Ever sector of national economy, agriculture, industry, trade, transport and various need finance. Marketing, being, the most important economic activity performed by a vast number of people in a country needs finance more urgently than any other activity, for it is only sufficient quantum of finance that may oil and smoothen the wheels of the gigantic trading machinery. The gap between the period of production and that of consumption further increases the needs for marketing finance. Thus, marketing finance is that part of the general business function of providing and managing funds and credit which is directly related to the transactions involved in the flow of goods and services from producer to consumer or industrial user. The scope of marketing
finance. Finance is limited to meeting the expenses required for marketing. Thus, marketing. Thus, marketing finance is primarily meant to oil the wheels of trade machinery. It also includes the provision and management of funds needed to finance the carrying of stocks and the granting of mercantile and retail credit, including installment credit.

The principal source of marketing finance in India can be classified into two broad categories – non-institutional sources and institutional sources. Non-institutional sources mainly comprise the following lending agencies. Bit cultivators, itinerant traders, village traders and moneylenders, relatives. Non-institutional or private source of rural credit are often best with a number of shortcomings. But institutional credit refers to the funds made available by a host of institutions. In our country short-term rural credit is provided mainly by Cooperative Credit Societies, Commercial Banks, State Government and NABARD.

Irrespective of the production and marketing processes, finance is needed to meet consumption also. Necessity of trade finance is of long term and short term both. Long term finance is collected by the shareholders, debentures; bonds issued by the owners of the companies. And short term finance is fulfilled by the credit or loan facilities. Loan includes institutions giving loan like bank, financial institutions, indigenous baker etc. But consumption needs only short term finance. Consumers fulfill their short term loan by two sources those are loan and credit. Loan includes bank, relatives, Banias, Mahajans etc, Credit facility by its own. Credit is
given by the sellers to the consumers. When an consumers purchases some products from the shopkeeper and doesn’t pay for it in cash on the condition that after some time period he will pay. This type of transaction is called credit by its own.

Finance is also the need of Pradeshik Cooperative Dairy Federation’s, Reality is that Finance is just like an blood circulation of human body in same way finance is necessary for types. Under institution. Federation share capital sources are of four types. Under which State Government. Top Institutions, Dairy Unions, and Primary Cooperative Committees are involved. In which state Government share is the highest then comes Dairy Federations and same way on third and fourth position comes Top Institutions and Primary Cooperative Dairy Federation respectively.

**Research and Development:**

One can not under estimate the roe of research and development in these days of cut throat competition. Research is the industry of discovery and development is the conversion of a dream into reality. Research and development is a must these days by almost every adaptive firm through it costs in terms of time, treasure and talent. It is of paramount importance from the social angle as well. From the social point of view research and development is the means by which the ultimate consumer literally becomes king of the market place, with his desires, prejudices and every whim transmitted to the producer and distributor by research one of the most significant economic aspects of marketing and
distribution research is its dynamic contribution to the expansion of the nation’s economy\textsuperscript{22}. 

Marketing research is a systematic problem analysis, model building and fact finding for purpose of improved decision making and control in the marketing of goods and services\textsuperscript{23}. Marketing research is concerned with all those factors which have a direct bearing with the marketing problems of an enterprise. It concentrates on the study of product planning and development, pricing policies, effectiveness of personal selling, advertisement and sales promotion, distribution structure, market competition and the entire area of buyer's behavior and attitude. Marketing Research is that part of business research that studies the transfer and sale of goods and services. It may include study of their physical distribution, wholesale and retail merchandizing and financial problems. The real function of marketing research is to help the manufacturer or producer to increase his sales\textsuperscript{24}. Broadly speaking, there are five strategic areas of marketing research, namely, business economics research, product research, sales and market research, pricing research and advertising research etc. The information required for marketing research can be from two sources – primary sources and secondary sources. Business research is concerned with economic forecasting and business trends analysis, operation research, programmes evaluation and research techniques and investment and inventory analysis fall under this type of research. Product research involves the activities connected with gathering information about customers needs,
product concept and proto-type testing style and packaging-testing, etc. Sales and market research analysis sales volume and sales man performance data, market penetration rates, new product performance in test markets and customer related product data such as opinion or attitude surveys as well as company’s effectiveness of its promotional activities. Pricing Research is mainly concerned with the determination of the policies regarding prices, discounts and allowances. Advertising research is related to the problem of preparation of advertisement, copy, media selection and measuring the effectiveness of advertising media.

Pradeshik Cooperative Dairy Federation’s who works for marketing along with production. Also work on Research and Development respectively. Federation has system of Research and Development for competitive market of milk product and for keeping a view on changing needs of customers. Work of this department is limited. Its work is to research on new milk products. Till now this research department has developed. Fit milk, Dairy whitener, pack design and other materials.

Fit milk was provided in the form of Parag now produced to Lucknow and Delhi customers by Federation. Fit milk main specialty is that it is S.N.F but includes vitamins. Therefore, it is for keeping person fit and it is useful for the patient of high blood pressure. Heart patient, liver patient and sugar patient etc. Dairy Federation has developed other milk products formula also. From this it is clear that Federation standing on the main gate of Research and Development. Still more attention should be paid on
this work of Federation. Till this Research and Development will not be standing as a department, its work will not be completely done.

**Quality Control:**

Quality is some prescribed or desired characteristics present in raw materials, semi-finished or finished items. It is a relative term and is generally used with reference to the end use of the product viz. fitness for purpose, degree of preference, degree of excellence, fulfillment of the promises made to the customer, quality of design etc. In every manufacturing organization there are always some standard specifications laid down either by the producer or the consumer and it is important that the finished product meet established specifications. A good quality item is one which conforms to the specifications.

Now control is the process of verification or correction in the quality of the product when the deviations in the quality are found to be more than expected. Thus quality control is of great value both to the producer and consumer. It helps in solving many manufacturing problems which could not be solved otherwise. Quality control in its broadest sense refers to the systematic control of those variable encountered in a manufacturing process which affect the excellence of the end product. Quality control is the processes of production. The basic idea of quality control and inspection programme is to make sure that to the extent practicable and possible the customer gets a product that is not defective and
that each item conforms to the standards which the company wishes to meet.

The fundamental purpose of quality control is to maintain the quality standard of the manufactured product at an optimum cost. Quality control helps in assessment of quality standard, satisfaction to the consumers reduced production cost, optimum utilization of resources, reduces the inspection cost, increases goodwill, high moral of employees, maintains the relation between employers and employees. Possibility in utilizing the best technique for production helps in effective advertising, easier in determining price and increases the sale.

The various techniques used in controlling the quality of a products are, inspection, statistical quality control etc. Inspection is the process of examining an object for identification or checking it for verification of quality and quantity in any of its characteristics. It is an important tool for ascertaining and controlling the quality of product. Inspection is the art of applying tests, preferably by the aid of measuring appliances to observe whether a given item or product is within the specified limits of variability or not. The purpose of inspection is to see that items are produced within the specified limits of variability. By means of inspection one can take a decision to accept or reject certain item. Important functions of inspection is to maintain the specified standards of the quality of products, devising means for conducting inspection at lower cost, segregating spoilt work which may be salvaged by re-operation, maintaining inspection equipment in good condition, reporting source of
manufacturing troubles to management, furnishing advice to operators when production difficulties arise.

Statistical quality control is applied by taking samples and drawing conclusions by means of some mathematical analysis. It is to ascertain whether the variation in the quality of the product is due to chance or due to assignable causes. The use of statistical quality control ensures rapid and efficient inspection at a minimum cost. It minimizes waste by identifying the causes of excessive variability in the quality of product; statistical quality control exerts more effective pressure for quality improvement than 100% inspection.\(^{27}\)

Pradeshik Cooperative Dairy Federation is active or aware in maintaining the quality of its product. As it is discussed before that, this Federation works on the base of Anand method. In present time of sophisticated healthy circumstances works starts from Anand methods first stage that is Milk cooperative Committees for milk procurement. Milk Cooperative Committee’s, Chairman, Secretaries and Milk Producers are given training by Regional Training Centers for milk procurement. Procured milk’s fats and S.N.F. is inspected in factory, it helps in knowing the quality of the milk. Milk quality is inspected by machine. Even some time in survey of the customers using this milk and milk products. They check the quality of the product.

25 milk cold storage centres and a big Dairy are working for the better maintenance of milk in processing and packing. In every
laboratory relevant standard is determined for milk and milk product and milk and milk products are sold after the inspection of it. Where these products are stored there also inspection is regularly done.

Hence, quality control method of Federation is nice, but still after that also customers are not satisfied with the quality of milk and milk product. There are many customers who believe that private milk businessmen’s milk and milk products are better that Federation’s milk and milk products. Some consumers admire that private milk businessmen’s liquid milk is not of good quality. In other hand a group of customers says that a variegated smell comes from Parag milk. Even curd made from Parag milk is better to eat with in few hours otherwise it is destroyed, not in a condition to eat after some hours. We know very well that customers are of different nature and all are not satisfied with one product. But still there is some thing wrong with the quality of Federation’s product because a customer does not have any personal enmity with the Federation. So it indicates that Federation quality control department should be aware and to maintain quality should utilize the modern techniques. Packing is a very important part to send the milk and milk product to the final consumers. Hence, better material should be utilized for packing.

**Conclusion:**

It is clear from the above discussion that Pradeshik Cooperative Dairy Federation’s performs ancillary functions of
marketing. Along with this sources are utilized to increase the sale. Not only has this, Federation also worked on research and development, quality control, standardization and grading etc. To increase sale advertising and publicity is done and benefits are taken by the trade promotion. It should be stressed that Federation’s main objective is not to earn profit only. Its objective is also to satisfy their customers and farmers. One side Federation encourages farmers to do milk business along with their agriculture business and in other side fulfill or supply milk and milk products to their town customers. The objective of advertising and publicity is to give information of different products to their related customers and consumers. So that, they can utilize Federation’s product. As Federation’s advertising expenses is related it shows fluctuating trend. As it has increased to 10 times in the study period that means in the year 1994-95 it was more than Rs. 2 lakh and in the last year 2002-2003 it was Rs.25 lakh.

The objective of Cooperative Dairy Federation’s Trade Promotion is to attract the attention and interest of the people towards the Federation’s products. Federation’s does Trade Promotion by oil painting and other mediums. In the study period of Trade Promotion, it shows the fluctuating trend. In the year 1990-91 it was Rs. 7 lakh which reduced in the last year of the study period that was more than Rs. 5 lakh. Along With Trade Promotion, Federation also does quality control work. Inspection of Fats and S.N.F. of procured milk is done in factory. With this quality of milk is known. Quality of powdered milk inspection is done by machine.
In spite of this all inspection relating to quality control there is a group of customers who are not satisfied with Federation’s milk and milk products. New from of milk products are brought to market by Research and Development. Fit milk, Dairy whitener etc are the invention of Research and Development. Federations also face the marketing risk. For this Federation gets Grand’s and Assistance from different sources. Standard and Grade are maintained milk and milk products according to the needs of consumers. Liquid milk is divided into five grades. This grading is done on the base of Fat and S.N.F. Under liquid milk, complete milk, standard milk, toned milk; double toned milk and fit milk are graded. Under all these graded milk different level of Fats and S.N.F. I found other than liquid milk, milk products marketing is done by Federation. Under milk products they include mainly butter, ghee and skimmed milk powder. Some other products other than main products are cheese, baby food etc. Milk products are graded on the base of weight but quality of product remains same.

Marketing finance plays an very important role in marketing functions. Whether they are producer middlemen or consumer marketing finance is needed by all the groups. Marketing finance work is to manage the business Finance and to manage consumers finance. Need of finance is for both short time and long time. But for consumer it is only needed for short period. Source of marketing finance of P.C.D.F. are State Government, Top Level Institutions, Dairy Federation and Primary Cooperative Committees. Government participation is marketing finance is the highest.
REFERENCE


20. Ibid.
21. Table of Share Capital in Chapter-2.

26. Ibid.


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