This is a study of consumer behaviour and demand for milk products. Consumer behaviour refers to the acts of consumers in obtaining and using goods and services, and the decision process that determines these acts (Engel et al., 1968, p.5). Demand refers to the quantity of the product which a consumer purchases (or wants to purchase) (Kotler, 1976, p.118).

Consumer behaviour encompasses a vast area, including consumer preferences, consumer motivation, consumer buying process, consumer shopping behaviour, etc. The basic questions which are answered in a study of consumer behaviour are - what consumers buy, why they buy it, how they buy it, when they buy it, where they buy it, and how often they buy it (Schiffman and Kanuk, 1983, p.6). A study of demand essentially tries to answer the question how much the consumers buy, which is, indeed, the quantity preference aspect of consumer preference.

Keeping in view the inseparable relationship between a study of consumer behaviour and a study of demand, we approach the problem in an integrated manner rather than taking them as two independent topics. The
aspects of consumer behaviour and demand to be covered in this study, specifically, are consumption pattern, consumer preference, consumer motivation, consumer buying process, and consumer shopping behaviour.

We have limited our study to milk products - pure ghee, butter, paneer, whole milk powder, skim milk powder, and processed cheese. The main focus is on the products manufactured in the organised sector, although the products of unorganised and home-made sectors are also included for the purposes of comparison. This is because we hope to derive some normative conclusions for an appropriate marketing strategy for the manufacturers of milk products in the organised sector.

The study is organised around the fundamental hypothesis that consumer behaviour and demand for milk products depend upon socio-economic status of the consumers. The consumer unit is taken to be a family or a household. Socio-economic status has been measured by two variables, viz., income and education of the family. First, the consumer behaviour and demand for milk products, of the families in this study, is observed, and, next, the effect of income and education on it, is measured.

For this purpose, we made a sample survey making the city of Chandigarh\(^1\) as the empirical base for our study.

\(^1\) A brief description of the city of Chandigarh is given in the Appendix attached to this chapter.
Need for the Study

Nutritional value of milk products and great potentialities of supply of milk products in India underscore the importance of milk products in an Indian market. The need for understanding consumer behaviour and demand for milk products is, therefore, extremely important to the decision makers, be they the manufacturers of milk products or intellectuals interested in scientific research. The subject matter has attracted the attention of researchers in India.

Since the inception of the National Sample Survey Organization (NSSO) in 1950, some studies appertaining to consumption behaviour have appeared in India using the NSS data (For example, Bose, 1960; Ganguli, 1960; Rudra and Roy, 1960; Roy and Laha, 1960; Sinha, 1966; Jonas, 1971; Mehta and Gupta, 1976). The National Council of Applied Economic Research (1967 and 1970) and the National Commission on Agriculture (1976) have also made some significant efforts in this respect.

Most of these efforts, however, have mainly been directed at estimating expenditure and income elasticities of certain food items including milk and milk products, and the qualitative aspect of consumer behaviour has been almost ignored. Also, most of these studies have been confined to broad commodity groups, and little attention has been paid towards studying consumer behaviour with respect to milk
products manufactured by the organised dairy sector. The present study seeks to break this ground, especially by focussing on consumer behaviour and demand in relation to milk products marketed by organised dairy sector in Chandigarh.

Objectives of the Study

The specific objectives of the study are as follows:

1. To identify consumers of milk products.
2. To analyse the consumption pattern of milk products.
3. To study consumers' preference for milk products.
4. To understand consumers' motivation for buying milk products.
5. To gain an insight into consumers' buying process and shopping behaviour.
6. To examine the effect of income and education on these aspects of consumer behaviour as also demand for milk products.

Organisation of the Study

The study is divided into nine chapters.

Chapter one, the present chapter, is introductory, defining the concept of consumer behaviour and demand, besides giving the need for the study, and its objectives.
Although the present study focuses on the demand side of the market, yet some basic information of the supply side is appropriate to gain greater authenticity in the perception and appreciation of the study of demand side. Chapter two has been devoted to the 'Milk Product Industry'. It studies the growth of the industry, examines the present position, and, finally, discusses the problems related to the industry.

With a view to evolving an appropriate methodology for this study and determining the need for the same, literature on the subject has been reviewed in Chapter III. This chapter presents a brief historical perspective of the theory of consumer behaviour, and reviews the available literature on milk products and related products which deal with the various aspects within the purview of our study, that is, consumption pattern, consumer preference, consumer motivation, consumer buying process, and consumer shopping behaviour.

Chapter IV is on 'Methodology' used for the present study. Its purpose is to define guidelines for the conduct of the study. It includes the hypothesis of the study, universe of the study, sampling design, methods of data collection, data analysis, and limitations of the study.

Chapter V, 'The Consumers', focuses on the consumers of milk products. This chapter deals with the general characteristics of consumers of milk products, the
identification of consumers of milk products, and different brands that they use.

Chapter VI, 'Consumption/Demand Pattern of Milk Products', examines the consumption pattern with respect to income and education, and seeks to capture the simultaneous effect of income and education on consumption of milk products by the help of a multiple regression model using dummy variables.

Chapter VII, 'Preferences : Product, Sector, Brand and Packaging', explores the observations of consumers of milk products related to their preferences in this respect. This chapter deals with various aspects of preferences such as preferences for different attributes of milk products, products of different sectors, brand preference and packaging preferences.

Chapter VIII, 'The Buying Process', examines the buying decisions and shopping behaviour for milk products. This chapter covers the influence of different advertising media and sales promotional techniques as sources of information for milk products. Further, it explores the role-dominance in making decisions with respect to budgeting, product purchase, brand selection, store selection and actual act of purchase of milk products. Finally, it examines the store preferences and frequency of purchase of different milk products.

Chapter IX, 'Summary and Conclusions', lists the major findings and conclusions, that emerge from this study.
Chandigarh is located in the North-West of India as the Union Territory between the states of Punjab and Haryana, as shown in Map-1. This Union Territory was created on 1st November 1966 as a result of trifurcation of the erstwhile Punjab State into Punjab, Haryana, and Himachal Pradesh. The city, founded in 1951, was originally planned to build a new capital of the erstwhile Punjab State. The master plan made by the world famous architect and planner, Le Corbusier. The present Union Territory, in addition to the city of Chandigarh, includes Mani Majra town and some villages of Kharar tehsil of Ambala district.

Situated at the feet of the Shivalik range, the permanent background of the Himalayas invest it with great scenic beauty. The total area of Chandigarh Union Territory is 114.00 sq km, of which 68.33 sq km are urban and 45.67 sq km are rural. The total population is 451,610, comprising of 422,841 from the urban areas and 28,769 from the rural areas. The total literacy rate is 64.79 per cent - 66.15 per cent urban and 44.73 per cent rural*. The administrative divisions of Chandigarh is shown in Map-2. The basic planning unit of the city is a *Census of India, 1981, Series 26 - Chandigarh, Part-IIA and IIB
The administrative headquarters of Chandigarh, Haryana and Punjab are at Chandigarh.

Map 1
sector, 800 x 1200 metres in size, with a population varying between 3000 to 30,000 depending upon the size of plots and topography of the area. The whole city is divided into several sectors and each residential sector is further divided into four sub-sectors, which in turn are divided into residential plots of varying sizes from 125 square yards to 4000 square yards. The city has 46 sectors numbering from 1 to 47 (Sector 13 does not exist). Sector 1 has Capital Complex, consisting of the Secretariat, the High Court and the Vidhan Bhawan, Sector 6 has the Raj Bhawan Punjab, Raj Bhawan Haryana and the Golf Course. Sector 12 has the Post Graduate Institute of Medical Education and Research, Engineering College and College of Architecture. Sector 14 has Punjab University Campus. Sector 17, is the city centre, mostly has commercial shops and offices. Burail and Attawa which were earlier treated as villages have been classified as towns for the first time in 1981 Census. Both of these new towns are located within the periphery of Chandigarh City - Attawa in Sector-42 and Burail in Sector 45, but these could not be treated as a part of Chandigarh City due to administrative reasons. All other sectors are residential sectors. Each sector is intended to be a self-sufficient unit which provides the basic needs of

**Census of India, 1981, District Census Handbook, Chandigarh Administration, 1983, p.1**
every family - shops, schools, health centres, places of recreation and worship.

At present, Chandigarh is the capital of two states, Punjab and Haryana. Being a Union Territory, it also houses Central Government offices. Many personnels of the Air Force base, and the establishments of the army units located in the vicinity of Chandigarh also reside in the city.