CHAPTER II

AN OVERVIEW OF CONCEPTUAL FRAMEWORK AND REVIEW OF LITERATURE
CHAPTER – II

AN OVERVIEW OF CONCEPTUAL FRAMEWORK AND REVIEW OF LITERATURE

2.1 INTRODUCTION

This chapter deals with the review of related literatures of this research topic. This chapter also deals with the various studies of different authors related to the topic of the research. It will be very useful to have an insight on the research topic, and to identify the gaps in the previous researches.

2.2 BASIC MODEL OF CONSUMER BEHAVIOR

The Researcher had identified the following factors that would be most important in influencing the consumption pattern and buying behavior which inturn determine the brand preference of consumers among various milk brands available in the fluid milk market.

- Firm’s Marketing Mix offers
- Socio-Cultural Factors
- Psychological factors
- Decision Making Process
- Consumption Pattern
A SIMPLE MODEL OF MILK CONSUMER BEHAVIOR

Firm's Marketing Mix offers
1. Product
2. Price
3. Place
4. Promotion

Socio Cultural Inputs
1. Culture
2. Sub-Culture
3. Social class
4. Family

Decision Making Process
1. Need Recognition
2. Information Search
3. Evaluation of Alternatives

Psychological Field
1. Motivation
2. Perception
3. Learning
4. Personality
5. Attitude

INPUT
PROCESS
OUTPUT
The model presented in the figure has three major components: Input, Process, and Output. The input component draws on external influences that serve as sources of information about various milk products and brands. External stimuli are caused by marketing offer by the dairy marketers or by environment with which the milk consumer is living.

2.2.1 Marketing Stimuli – 4 PS

Marketing mix activities of the dairy industries attempt to communicate the benefits of their milk and services to potential milk consumers. The marketing stimuli consist of four Ps: Product, Price, Promotion and Place.

Product

Product is anything that satisfies the consumer needs. The milk is becoming essential commodity to the consumers. It is being perceived as an essential nutritious drink. Hence, the marketers draw suitable product strategies to cater the needs of the consumers. Milk products are sold in a number of varieties based on types/degrees of

- Fat content (e.g., Skimmed, Toned),
- Fermentation (e.g., buttermilk),
- Flavoring (e.g., chocolate),
- Homogenization (e.g., raw milk),
- Packaging (e.g., tetra pack, bottle),
- Sterilization (e.g., pasteurization),

**Price**

Price is the cost that the customer is willing to bear for the product and the way it is made available to him. As for as the milk consumers are concerned, price plays a crucial factor. Milk, being the regular drink for the household, captures a permanent place in the budget of the consumers. Therefore, even a slight price variation in the price of the milk significantly affects the budget of the consumers.

**Place**

Place involves decisions concerning distribution channels to be used, the location of the outlets, methods of transportation, behavior of channels members etc. Milk should be available in required quantities, at right time and at right place. Being the product which is needed widely, the distribution channels play a crucial role in satisfying the milk consumer needs. Milk is made available through various channels like company outlets, agents, shops, supermarkets, Automatic Vending Machines and door delivery system.
Promotion

Decisions have to be made with respect to Promotional mix are Advertising, Personal Selling, Sales Promotions, Exhibition, Sponsorship, Contests, Awareness Programmes, Gift Vouchers, Coupons and Public Relations. By these means, the milk consumers are made aware of the existence of the product/brand and the benefits that it confers to customers.

2.2.2 Environmental Factors

The stimuli from environment may come from one or more of the factors or events in social, cultural, technological, economic and political environment. These factors induce a consumer to think about purchasing a product. Particularly in dairy market, these factors play a major role.

Culture

In a diversified country like India, cultural factors exert the broadest and deepest influence on consumer behavior. Milk buying decisions are highly influenced by social customs, traditions and beliefs. People are habited to consume milk in the form of hot milk, tea or coffee twice in a day. It is the habit of many people to wake up with ‘Bed Coffee’ and sleep with ‘Bed Milk’. Further various cultural habits like worshiping
god or goddess by performing Milk bath - ‘Pal Abishekam’, which requires considerable quantity of milk and preparation of milk products like Curd, Butter milk, Ghee and Butter are quite common among the people. The people have a great belief that goddess for wealth ‘Mahalakshmi’ is in the form of milk. This belief brings value of holiness to the milk.

Subculture

Each culture contain smaller group of subcultures that provide more specific identification and socialization for its members. In milk consumption also the level is differing based on the subculture. North Indians level of consumption of milk is significantly larger than the South Indians. In states like West Bengal, Uttar Pradesh, Rajasthan and Maharashtra, the milk and milk made products are part and parcel of the peoples’ life.

Social Class

Virtually all human societies exhibit social stratification. Social classes have several characteristics. First, person within each social class tends to behave more alike than persons from two different social classes. Second, persons are perceived as occupying inferior or superior positions
according to their social class. Third, a person's social class is indicated by a number of variables such as occupation, income, wealth, education, and value orientation, rather than by any single variable. Fourth, individuals are able to move from one social class to another up or down during their lifetime. The level of milk consumption by the consumers depends upon the social class they belong to.

**Family**

Members of the milk buyer's family can exercise a strong influence on the buyer's milk buying behavior. In countries like India, where parents continue to live with their children, their influence can be substantial. As for as the milk is concerned the meal maker, normally the wife has more influence in the milk buying decision. Further the size of the family, preferences and needs of the family members also affect the milk consumption and preference level.

**Personality**

Personality refers to the unique psychological characteristics that lead to relatively consistent and lasting responses to one's own environment. Milk consumption pattern and brand preference are largely depend on the personality of the individuals. Modern dairy marketers are
increasingly concerned about matching products to the perceived self
personality of the individual.

Perception

Perception is the process by which people select, organize and
interpret information to form meaningful picture of the object. Three
perceptual processes, for example, selective attention, selective distortion
and selective retention of milk buyers make effective communication a
challenge to marketers. Selective attention refers to the milk consumers’
attention to attributes of milk that they consider value; selective distortion
refers to consumers’ interpretation of information about milk to support
what they already believe; Selective retention refers to milk buyers’
remembrance of factors that are supportive to their beliefs and attitudes.

Cognition

The information gathering and processing styles of milk consumers
are simple since the nature of the product is very familiar to them. With
the aid of aggressive awareness campaign of both government and private
bodies and also the wide reach of communication media, the milk
consumers cognition level is ever increasing.
Beliefs and attitudes

A belief is a descriptive thought that a person holds about anything. Beliefs may be based on knowledge, opinion, faith or emotion. A milk consumer holds the belief: “Milk is a nutritious drink which keeps the body hale and healthy”.

Attitude describes a person’s relatively consistent evaluations, feelings and tendencies towards an object or idea. Milk consumers have a set of attitudes which influence their milk purchases. A few of them are: ‘Nutrition value is more important than the price’; ‘the difference between branded milks and unbranded milk is not worthy consideration’. These inputs help the marketers to design product and positioning strategies effectively and carefully.

Motivation

Motivation is the driving force within individuals that impels them to action. Motivation to purchase milk becomes positive when the product corresponds to the need or motive, which is to be satisfied. The motivation becomes stronger when such satisfaction is very important to the consumers.
2.2.3 Buying Decision Making

The milk buying decision making process is divided into various stages - Need recognition, information search and evaluation of alternatives.

*Need Recognition*

An individual will not look for a product unless or otherwise he feels the need for the product. Sometimes the problem may be perceived, but if the difference between the current and desired situation is small, the consumer may not seek a solution for the problem. Therefore the marketers will have to communicate the new attributes or the benefits of the product to the consumers so that the customer feels at a disadvantage owning the current product and recognize the need for owning the new product.

*Information Search*

The consumer after recognizing the need for a product, searches for alternatives that may fulfill his needs. The consumer first conducts an internal search. Internal search refers to searching relevant information about similar purchase decisions made earlier by the consumer, or information about the product received from personal or non-personal
sources that was stored in the memory for future usage. In case, the internal search for information is found to be insufficient, the consumer goes in for external search. External sources involve information collection from personal sources such as family, friends, and non-personal or commercial sources such as advertisements, retailers and other media sources.

*Evaluation of Alternatives*

After searching for the alternatives and identifying them, the consumers evaluate these alternatives on the basis of various choice criteria. Consumers use various types of rules while arriving at the set of possible brands that can be considered for purchase. Milk purchase is a low involvement purchase. In low involvement purchase, attempting to gain top of the mind awareness through advertising and providing positive reinforcement like sales promotions to gain trial may be more important than providing information. As far as the milk consumer concerned the consumer will not actively seek the information. Rather, the consumer will be a passive receiver. Hence, the medium like television will be a better choice to the marketers, since it allows passive reception of messages.
2.2.4 Purchase

Once the customer has finalized his right choice of the product/brand, he purchases the brand. The product can be purchased from the company’s outlets, stores, parlors, booths, supermarkets or even through door delivery system. The purchase process itself involves several more decisions. It involves decisions about the place and mode of purchase, payment terms and conditions etc.

2.2.5 Post-Purchase Behaviour

The purchase leads to a specific post-purchase behavior. The consumer may not be sure about the product he had purchased. Consumer may feel that other brand would have been the better choice. Here the consumer will try to reassure his brand choice, or will deliberately avoid the positive messages of the other brands. The consumption of the product also strengthens his attitude towards the brand/ product he purchased.
2.3 REVIEW OF LITERATURE

Kaul (1977)¹ in his article entitled “Are you adding value through rural selling”, revealed that integrating the product message into song and dance events, film based skits, puppet shows and magic shows are becoming increasingly popular. He further observed that more than the medium, the consumer wants a product with a quality assurance. He concludes that customers are more particular about quality.

Prabaharan and Patel (1980)² conducted a study on consumer awareness and preferences for milk in Madras city with random sample of 300 households, selected based on the probability proportion to the number of consumers in each zone. The study aimed to analyse the awareness of the consumers relating to dairy processing services; preferences for cow and buffalo milk; preferences for fat contents among toned and standardized milk and also the preferences for the size of the package of milk. The study revealed that majority of the respondents never heard about the pastuerisation process and preference for the cow milk was more than the buffalo milk. It was due to the reason that cow milk was

with less fat content preventing digestable disorders. More percentage of households was buying standardized milk. About a percentage of households expressed their desire for toned milk with less fat content than what was available. This type of preference was mainly expressed in relatively lower income groups because of a feeling that reduction in fat percentage would further result in a lower price for toned milk.

Ganguly and Gopal (1981)\(^3\) in their study on Metropolitan milk markets of India revealed that in Bombay and Calcutta 75 percent of milk was bought by households with low or moderate income but in Delhi and Madras almost half of the milk was purchased by high-income households. In Delhi and Bombay the average household devoted 17 percent of it’s expenditure to milk products. It appeared that milk and milk products are more important to the people of Delhi and Bombay, as 95 percent of all the households interviewed in these cities bought milk regularly. The modern dairies share in the liquid milk market had increased presumably because the modern dairies charged 40 percent less than the traditional sector for their milk.

Ackermann and Callier (1982)\textsuperscript{4} in their consumer survey of the milk market in OAE revealed that Belgians are the lowest milk consumers in Europe except for the West Germans. Milk being an important food item for most consumers, it was as well as an important economic element in most Belgium farms. The study examined why milk consumption per capita in Belgium was so low and likely to decline further. Trends in demand and milk consumption by type of packaging and type of products were considered. A profile of typical Belgium consumers was developed which showed variables in attitude towards products according to various criteria (Age, Religion, Degree of Urbanisation, Occupation, Social Group, Distribution Channel). The Belgium consumers were inadequately informed about the product and hence regarded its purchase as routine rather than involving a choice. Many consumers thus probably bought a type of milk, which did not answer their particular felt or unfelt needs. Marketing policy should thus seek to inform the consumer so as to breakdown their present negative attitudes and increase their interest while seeking to improve the product’s brand image.

Drews (1984) in his study on the market for pasteurized milk and factors affecting consumption trends in German Federal Republic (GFR) revealed that of about 3.5 million tons of liquid milk produced by the dairies in the GFR in 1982, approximately 52 percent was pasteurized. The increase in the market share of UHT (Ultra High Temperature) Milk at the expense of pasteurized milk had become less marked in last few years, although the major part (53.4 percent) of milk sold in packaged form is now UHT milk. Factors influencing the pattern of milk sales were flavour, Price, Health consideration and convenience etc.

Brucks (1985) in his study entitled “The effects of product class knowledge on information search behavior”, attempted to clarify the meaning and measurement of consumer product class knowledge and to examine the effect of product class knowledge on information search behaviour. The measures of consumer product class knowledge can be an individual’s perception of how much he knows or the amount of purchasing or usage experience with the product.

---


Singh and Patel (1986)\(^7\) studied the effect of socio-economic parameters on the consumption pattern of milk and milk products. A survey of 100 rural and 60 urban households in Murzthan Nagar district of Western Utterpradesh showed that adult males generally accounted for the largest share in the consumption of milk products than on liquid milk. Consumption of milk and milk products were higher in households with agricultural occupations, keeping dairy animals. It was also higher in rainy season and lowest in summer.

Prakash Singh and Raghbir Singh (1986)\(^8\) investigated the relationship between income and consumption of milk products in Chandigarh area. It was found that the average monthly consumption increased with income for all milk products. Milk products produced by all the sectors organised, unorgansied and home made showed a dominance of the organized sector in all income groups.


Raghbir Singh (1986)\(^9\) in his study on consumers’ perception on organized sector dairy products was to examine how consumers perceive dairy products manufactured by organized sector in comparison with those produced by unorganized sector and examine whether there was any divergence, disagreement among the opinion of household belonging to different income and educational categories regarding their perception of dairy products manufactured by organized sector as against those produced by other sectors. The null hypothesis had been tested. The major conclusion of the study was that as for as flavour, Nutritional value, moisture content and digestibility were concerned consumers did not view much difference between the unorganized and organized sector dairy products.

Termorshwizen (1986)\(^10\) in his study entitled “Consumer behaviour in respect of milk in the Netherlands” used Engel, Kollat and Blackwell (EKB) Model – an Integrated model of Consumer Behaviour and established that liquid milk was perceived as a neutral drink; not ordinary or luxury, as a food not a drink for pleasure and not as being refreshing. The most important socio economic variables explaining individual

---


difference in consumer beliefs regarding milk are age, level of education and residential area. The results suggested that empirical model of EKB type could contribute to the understanding of the consumer behaviour with respect to generic food products.

Shanthi (1987)\textsuperscript{11} studied consumer preference for 'Aavin' milk and its products in Royapettah and Mylapore. It was found that good quality coupled with the price was the main reason for consumer preference for milk and milk products. Correct weight and convenience found the second place and third place with hygiene coming next. The quantity of milk purchase increased with the increase in the size of the family. It was also found that consumption of Aavin milk did not increase with increase in income.

Burmann (1987)\textsuperscript{12} in his study on consumer attitudes and behaviours with respect to liquid milk in the German Federal Republic revealed that households consumed milk frequently, an equal percentage of the consumers were using pasteurized milk and UHT milk and milk was used more for drinking than for cooking. The dominant features in the

\begin{footnotes}
\end{footnotes}
image of pasteurized milk were freshness and nice taste whereas the image of UHT milk was dominated by convenience and was better among immigrant workers than among Germans.

Arya and Ram (1988)\textsuperscript{13} in their survey on factors affecting consumption pattern of milk and milk products in rural and urban areas of the Kamal district of Haryana state with the sample of 240 households post stratified the sample households into occupational groups, per capita expenditure class, type of consumers and vegetarian and non-vegetarian groups. The log-linear multiple regression analysis was employed to measure the contribution of various factors affecting expenditure on milk and milk products. The major findings of the study revealed that the average per capita total expenditure was almost double in the urban areas as compared to rural areas. The food habits of the consumers did not have any significant impact over the capital expenditure on milk and milk products. The study concluded that the independent variable namely percapita monthly total expenditure, family size, education status of the family members and food habit of the households largely influence percapita expenditure on milk and milk products.

Bruner II and Pomazal (1988)\textsuperscript{14} in their study entitled "Problem Recognition: The Crucial First Stage Of The Consumer Decision Process", stated that since 1910, when John Dewey first introduced the five-stage decision process, it has been a widely accepted concept and still serves as the central pillar of a popular consumer behavior model. These stages are Problem Recognition, Information Search, Alternative Evaluation, Choice, and Outcomes. The importance of these stages is attested by the considerable attention devoted to most of them in numerous textbooks and journal articles. Such attention, however, has not come to the Problem Recognition stage. While some texts provide hypothetical descriptions of this "trigger" of the decision process, theoretical discussion and empirical support are surprisingly lacking. Journal literature fares even worse, with articles on the topic almost non-existent. Lack of information on the topic is even more ironic when one considers that a purchase cannot occur unless a problem is recognized.

Singh (1989)\textsuperscript{15} studied consumer's perception of the organized sector dairy products, by collecting data from 394 households in


Chandigarh about the consumer perception of milk products manufactured by unorganized sectors in India. The organized sector comprises of Industrial-scale manufacturers and products manufactured by state corporations, co-operatives and joint stock companies. The unorganized sector comprised of small-scale manufacturers and home made products. The milk products from organized sector were perceived to be more ‘reliable in quality’, ‘hygienically prepared’, ‘cleanly-packaged’, ‘delicious in taste’ and ‘effecting good value for money’ compared with milk products from unorganized sector. Perception of moisture content, digestibility, Nutritional value and flavour were rated similarly for organized and unorganized sectors. Difference in income and education did not influence perception.

Barnard and Ehrenberg (1990) in their study entitled “Robust measures of consumers brand beliefs”, revealed that consumers selected brand name more frequently than any other information. Many people tend to associate a positive attribute with larger brands than associate it with smaller brands. The explanation is that a larger brand has more claimed users than a smaller brand, and that the users of a brand are more likely than the nonusers to give a positive-attribute-response.

Goswami (1994)\textsuperscript{17} examined the consumption pattern of milk and milk products of five district income groups in Shillong town of Meghalaya state with a sample of 200 households drawn from 20 wards. It was observed that with the increase in income, the expenditure on milk and milk products had also increased. Among the various milk items, per capita expenditure was maximum on fluid milk for all the income groups. Linear, Semi-Log and Log-Linear forms of Engel function were found to be best fit for explaining the consumer behaviour of various income groups with respect to milk and milk products consumption. It was found that a wide variation was dissemble in the consumption pattern of milk and milk products across different income groups. The demand for various milk items was observed to be expenditure elastic for all the income groups. All respondents expressed that butter and ghee and other milk products as luxury items.

Singh and Singh (1994)\textsuperscript{18} in their study on the pattern of milk consumption in urban and rural areas of Ludhiana district in Punjab, found that the direct consumption of milk was more in rural than in urban areas.


The percentage share of domestic consumption was higher in summer seasons as compared to winter season both in urban and rural areas.

**Patel, Kumar and Khera (1994)**\(^{19}\) in their study entitled “A study on consumption pattern of milk and milk products”, based on the cross sectional data of 352 households studied the occupation wise consumption pattern of milk and milk products in Kamal city. The Engel equation of double log form was fitted for estimating the expenditure elasticities. The concentration curve technique was used to study the inequalities in the consumption of milk and milk products for different occupational groups. They observed that the growth in demand for milk increased rapidly as per capita income increased. The expenditure elasticities were higher for service families as compared to the business families and there were greater inequalities in the milk consumption for service families as opposed to business families.

**Sayulu (1994)**\(^{20}\) in his study entitled “Rural Marketing in India”, analysed that retailers should develop strategy based on their own circumstances and understanding of the needs of the rural consumers. He

---


also emphasizes that low price product will be more successful in rural areas because of low per capita income of majority of rural consumers. Moreover manufacturer should take a lead in opening up channels of communication with rural outlets as an extension of their promotional activity and sales representative should visit the stores regularly.

Maheswaran (1994) in his study titled “Country of origin as a stereotype: effects of consumer expertise and attribute strength on product evaluations”, revealed that consumers have well-developed stereotypical beliefs about products that originate from other countries. Country-of-origin based categories represent a knowledge structure that is based on a criterion that is less accurate, context dependent, and is likely to vary across situations.

Mela (1994) in his study entitled “The Intake and Acceptance of Fat in the Diet Journal: Nutrition & Food”, reviewed some of the possible reasons why fat intake is at this high level, and why consumers find it difficult to reduce intakes. First, there may be psycho-biological effects of fats which serve to maintain liking for fat-associated sensory

---


characteristics. Second, consumers often have a poor conception of their own fat intake and the relative contributions of different food sources. Lastly, there is little known about the factors influencing long-term dietary change. These are issues which research in nutrition and food science can and should address.

Mitsostergios and Skiadas (1994)\(^{23}\) in their study, revealed that food purchasing behaviour is influenced by economic factors such as price and income, as well as by non-economic factors such as concern about diet and health, growth of vegetarianism, convenience, household's life cycle and advertising. The concern about health of consumer's strong advertising campaigns, as well as the age and economic status of respondents, influence consumer choice towards fresh pasteurized milk.

Muthukrishnan (1994)\(^{24}\) in his study on “Decision Ambiguity and incumbent brand advantage” revealed that the term incumbent refers to the brand that a consumer first chooses in a product category. A brand may achieve incumbent status by being the first brand chosen by consumers entering a mature product class or by being a pioneer in a new product

---


class. An incumbency advantage occurs when consumers prefer the incumbent to an objectively superior but later-encountered competitor.

Richardson et al., (1994)\textsuperscript{25} in his study titled "Extrinsic and Intrinsic cue effects on perceptions of store brand quality", revealed that Cues are evoked according to their predictive and confidence values. The predictive value of a cue is the degree to which consumers associate a given cue with product quality. The confidence value of a cue is the degree to which consumers have confidence in their ability to use and judge the cue accurately. Cues characterized by high confidence value and high predictive value assume the greatest weight in the quality assessment process.

Rani (1995)\textsuperscript{26} examined the consumption pattern for the selected livestock products (Milk, Meat and Eggs) among different income groups in Madras city by selecting random sample of 300 households from 12 divisions of Madras city. It was observed that the quantity of milk utilized per consumption unit per day increased as income increased. The awareness of consumers about various milk products like standardized


\textsuperscript{26} Daisy Rani, M.S, "Consumption pattern, consumer awareness and preference of selected live stock products", Dissertation, Department of Animal Husbandry Economics, Tamilnadu Veterinary University, 1995, Chennai
milk, toned milk and double toned milk, yoghurt and skim milk powder increased as the income increased. The preferences of the households were more for toned milk in all income groups. Semi Log functional analysis revealed that family size, monthly income and educational level of the head of the households significantly influenced the milk consumption. The vegetarian habit also significantly influenced the milk consumption levels.

Naghapani (1996) conducted a study on the marketing aspects with special reference to Coimbatore district co-operative milk producers union Limited. The study revealed that the reason for low procurement in the areas of Shanmughapuram and Sultanpet chilling centers was due to the competition in procurement from private dairies. The sale of milk in 500 ml sachet was found to be high. Revenue from sale of liquid milk was more than the sale of milk products.

Borah and Saikia (1996) studied the consumer’s preference to milk and milk products in greater Guwahati. The study revealed that the private sector served as the biggest supplier of milk. A minimum

---

percentage of consumers never purchased milk for consumption. Preference for morning milk was higher than that for evening milk.

Gopalsamy (1997)\(^{29}\) in his study recommends that the concerted effort on the part of manufacturers and marketing men to sell products specifically designed for rural market were successful. The brand awareness created by these products had given rise to number of imitation products sold at cheaper price. In addition regional branded and local unbranded products also thrive in the rural market. The policy with regard to distribution varies widely from company to company. Several innovative measures were taken by various companies in rural areas.

Grewal et al, (1998)\(^{30}\) in his study titled “The effect of store name, brand name and price discounts on consumers’ evaluation and purchase intentions” revealed that an increasing number of companies are basing their price on the products perceived value. They see the buyer’s perception of value, not the sellers cost, as the key to pricing. They use the non-price perceived value in the buyers’ mind. Price is set to capture the


perceived value. In nutshell, perceived value is an evaluation that balances what consumers receive, in an exchange, versus what they give up.

**Thiagarajan (1999)**\(^{31}\) in his study on marketing of Aavin milk in Madurai revealed that ‘Aavin’ was playing a monopoly role by capturing a lion’s share with 90 percent of the market by maintaining a standard quality and a comparatively low price. However, in recent times Aavin’s market share had come down from 90 percent to 66 percent due to multiplicity of causes both internal and external. Internal causes from consumer’s point of view were limited quantities for a limited time in a day, dual pricing for regular users and for special orders, low sales commission for depot concessionaries, cumbersome procedure involved in the distribution and refund of money for unpurchased milk. External causes were introduction of competitors in the market like ‘seva’ and ‘arokya’ and natural factors leading to a short supply of milk. Hence the Co-operative, which was once a monopoly institution had to rethink its strategies and launch itself on a full fledged marketing campaign.

Jain and Sharma (1999)\textsuperscript{32} conducted a study on consumer opinion for purchase of milk and milk products by collecting data from 300 sample households in Chandigarh city, 150 in a town of Rohtak district and 100 in two villages of Rohtak district (Northern India) and similar data from city, town and village households in Bangalore and Mandya district (Southern district). Sources of Purchase for milk and milk products, consumers preference for different sources, factors influencing purchase choice and reasons for not consuming milk of the organized sector and its preference by consumers in the southern region than in the northern one, especially in urban area were examined. Price was an important factor influencing purchases in the southern region but was less important in the northern region. However, consumers in both regions did not purchase expensive products.

Bhasin (1999)\textsuperscript{33} in his study titled “Quest for the rural rest” examined and revealed that in rural India, products sell more via a mix of distributor and dealer push, as opposed to focused campaign aimed at the village folk. He also opined in his study that advertising mix for rural India had many pitfalls. Television and radio fare better than the print media.

Eastman, Ronald et.al., (1999)\(^{34}\) in their study titled “Status consumption in consumer behavior; Scale development and validation” found that, many consumer researchers feel confident that they are achieving more valid insights into consumers motivations than they would by using any one technique alone. They are convinced that qualitative studies are more revealing than quantitative studies.

Krishnamurthy (1999)\(^{35}\) in his article has pointed out that semiotics primarily works best for products that have low involvement at the time of purchase, and had very frequent usage. The shelf life of the FMCG – Fast Moving Consumer Goods was short enough for most to remember those products by their symbols, colours and names, or a combination of those elements.

Joseph (1999)\(^{36}\) in her article entitled “Growing Brand Awareness” pointed out that the urban market is getting increasingly competitive and saturated. There is less scope for growth in the urban markets, especially, for the already established categories. Today, the rural market is blooming,


due to the increase in the disposable income of the house holds. She further added that the rural market, however, is not restricted to mass consumption products. Even premium brands are gaining wide acceptance among the rural consumers. She concluded with the changing dynamics of the Indian marketing situation and now it is the turn of the rural consumer to dictate terms.

Maithli Ganjoo (2000)\(^3\) examines in his analysis that, the size of the pack helps the consumers pick the product at a price that they can afford. Certain products like detergent and tooth paste were bought in larger quantities, whereas shampoos, toilet soaps, eatables were bought in smaller pack sizes. The reason described by Ganjoo was, the products were common to family members who bought in large pack sizes, whereas individuals preferred in smaller packs. The storage life of a product also has a bearing on the decision. The affordability, storability and availability along with the usage are reasons for rural consumers to look towards smaller pack sizes.

Kashyap (2000)\textsuperscript{38} in his study entitled “Rural People look upto urbanities” examined and revealed that urban buyer behaviour is Individual-driven where as in rural areas, decision making was a collective process. Rural buying process may start from the village headman who represents the pinnacle of the collective decision makers. He also observes that rural buyers take a long time to decide on a particular brand, but once they were convinced, their brand loyalty was more than their urban counterparts. It is an urban myth that rural people don’t buy quality goods. Rural buyers were equally quality conscious, but value for money was paramount importance and functionality of the product, rather than the frills attached to the product.

Murthi (2001)\textsuperscript{39} in his article on milk marketing strategies had listed some basic components of marketing strategies such as adherence to regulatory standards of quality; supply of hygienic and unadulterated milk. It was suggested that cooperatives should form business alliance with other cooperatives and private companies so as to leverage operational synergy and fair and equitable competition among dairy industry to create competitive advantage.

Mookerjee (2001) in his study entitled “Study of the influence of source characteristics and product importance on consumer word of mouth based on personal sources” revealed that in mature markets, the information search mechanism of the consumer for purchase decisions includes personal sources, where word of mouth communication is an important influence on decisions, judged by the diffusion process. At that stage, the information available to the consumer is through both commercial media as well as personal sources. When they further transmit recommendations, it is likely to be based on personal sources also. Opinion leadership is well understood in terms of the effects of mass media, but there is much less known about the impact of personal sources on this phenomenon. Further he states that both source characteristics have a significant effect on recommendations based on information from personal sources. Further, there was no significant difference in the recommendation tendency across product importance types, where recommendations were based on personal sources.

---

Pirouznia (2001)\textsuperscript{41} his study on “The influence of nutrition knowledge on eating behavior — the role of grade level” results indicated that the relationship between nutrition knowledge and eating behavior was insignificant for sixth grade students, but significant for seventh and eighth grade students. The students were not able to identify the food sources of nutrients or nutrient functions, and they did not use a daily food guide to choose foods, although they were aware of the importance of milk and vegetable consumption. The findings in this study will add to the limited research data currently defining the relationship between nutrition knowledge and the eating behaviors of middle school students.

Viswanathan (2001)\textsuperscript{42} in his study entitled “Structural breaks in consumption patterns: India 1952-1991” indicated that there is a shift in the consumption pattern during the mid-1980s in both the rural and the urban sectors. For the lowest expenditure class the shift is away from food items with the rural sector showing a change in the price response and the urban sector showing a change in the total expenditure coefficient. For the middle and the upper expenditure classes the shifts are not only from the


food items towards non-food items but also from the 'food' group that includes items like cereals, milk and milk products towards the 'other food' group which includes items like vegetables and fruits. Its causes are found to be changes in preferences as well as the income effect.

Bhaskaran and Hardley (2002) in their study entitled "Buyer beliefs, attitudes and behaviour: foods with therapeutic claims" concludes that issues regarding personal and national health are extremely important because of the financial costs and human suffering that could be involved; and that functional goods, as a relatively new phenomenon, still need to be examined further with regard to their influence on trust and legitimacy in buyer behaviour.

Sharma and Joglekar (2002) in their study on "Marketing of Milk - an opinion survey of consumers perception in Rajamundry, Andhra Pradesh" included a cross section of consumers covering the area of the Godhavari Co-operative dairy with the sample size of 400 households. The study found that the majority of the families were purchasing milk from

---


private vendors. The location of the milk booths was close to residence or located with in a reasonable distance. The supply of milk through polyethylene sachets by home delivery was advantageous. The quality of the milk was primarily judged on the basis of level of fat content in milk. Families belonging to lower income groups strongly expressed their preference to private vendors due to non-availability of milk in small packing less than half a litre.

Sengupta and Srivastava (2003) in their study on “Big, bad and parallel world of counterfeits and look-alikes” observed that ignorance of the consumers was the primary reason for flood of fakes. It also adds that fakes and look-alikes are sold cheaper. This may be helpful in alluring buyers particularly from urban analogues, rural belts and outskirts. They further observed the entire fakes and look-alikes are patronized by the intermediaries, who are allured by the exorbitant profit margin offered by fakers and counterfeitors. The related laws of Government towards fakers are not enforced properly and hence, are of little consequence.

---

Kumar (2003)\textsuperscript{46} in his study titled “A study of the Consumer Behaviour with reference to selected products” observed that the marketers should take efforts to supply quality goods at reasonable prices and maintain good relations with their retailers, because consumers trust more on retailer’s advice. Moreover marketing distribution system should also be well established.

Prasanna (2003)\textsuperscript{47} carried out a study on customer satisfaction rate towards Aavin milk in Coimbatore. The non-probability convenience sampling was adopted to draw a sample of 150 respondents. The study focused on ascertaining consumer preference in purchase of Aavin brand of milk and analyzing the perceived differences of various brands of milk on key attributes and also on identifying measures for improving customer satisfaction. Purity, taste, thickness, availability, price, service of agents and place of purchase were the criteria used in the study. It was found that Aavin brand was rated high for purity, taste and thickness. Attributes like availability, price and service of agents were also rated good. Other milk brands like Arogya and Amirtha rated the best for the purity and taste.


respectively. For all the brands price and service of the agents were rated best.

**Riyaz Mohammed (2003)**\(^{48}\) conducted a study on comparison of Aavin, Arokya and Sakthi Milk with special reference to Coimbatore city with a sample size of 150 respondents drawn on convenience sampling method. The study aimed to understand the consumer preference of branded milk; expectation of consumers regarding the features of the branded milk; effective media for branded milk and impact of packing of the branded milk. The findings of the study revealed that the Aavin brand of milk was preferred for its purity, quality and price but the advertisement campaign, home delivery, non availability in retail outlets were the points of dissatisfaction when compared to the milk brands Arokya and Sakthi. Even though these brands claimed that package of milk in polythene packs were safe, it was still found to be unhealthy.

**Srivastava and Sengupta (2004)**\(^{49}\) in their study aimed to know the influences operating in the process of decision making in respect of the

---


personal care products for men. The study concludes that habit and own choice of consumers dominate their decision-making advertisement’s role was not that significant in the process. Role of advertising therefore becomes secondary; instead other promotional techniques should be adopted so that the consumers gives a trial purchase to the product and on being satisfied, develops a preference for it.

Deepak (2004)\(^{50}\) in his article entitled “Cleaning consumers insights from subcultures” revealed that one key to understand consumer behaviour is to assess the consumers underlying culture, sales culture based on age, religion, geography and language, ethnic edge, beliefs, attitudes and values, customs, symbols and rituals. The final outcome of the study states that MNCs manage to entice a few Indians away from their culture, but they can never make all Indians completely strangers to their own culture. Society as group is a stronger entity than any brand or product.

Shukla (2004)\(^{51}\) in her article entitled “Rural or Urban? The Chik dilemma” revealed that regional brands were making serious inroads into the territories once held by the national brands. There was a caveat: no

---


one's yet completely dislodged existing national champs the way Nirma did in the 1980s. The way the regional brands appear to be doing so was by focusing away from the metropolitan markets. No brand illustrates the idea better than Chik, a regional brand from the house of the Chennai based Rs. 236 crore Cavinkare.

Rajendran, Mohanty and Samarendu (2004)\(^{52}\) their study on “Dairy Co-operatives and Milk Marketing in India: Constraints and Opportunities” indicated that, 80 percent of the milk produced by the rural producer is handled by an unorganized sector and the remaining 20 percent is handled by an organized sector. It is found that the dairy co-operatives play a vital role in alleviating rural poverty by augmenting rural milk production and marketing. Involvement of intermediaries; lack of bargaining power by the producers; and lack of infrastructure facilities for collection, storage, transportation and processing are the major constraints which affect the prices received by producers in milk marketing. Milk quality, product development, infrastructure support development, and global marketing are found to be future challenges of India’s milk marketing.

Sridhar (2004)\textsuperscript{53} in his study entitled “Opportunism in Distribution Channels” found that distribution function satisfies the utilities like place, form, time and cost. In order to maximize these utilities, functioning of the channels of distribution should be effective and intermediaries like wholesalers, distributors and retailers should work collectively and unidirectional. Organizations have to be built with little or no gaps in the distribution system. Gaps would possibly lead to intermediaries becoming opportunistic and thus shirk or free ride. In order to check the opportunistic behaviour, understanding intermediaries on behavioral front in addition to the systems and structures in control would be a logical step. Researchers and industry are continuously undertaking numerous studies in order to read the opportunistic behaviour of the intermediaries, its causes and consequences.

Sharma and Kasthuri (2004)\textsuperscript{54} in their study on “An application of attribution in consumer decision making and defense against post purchase dissonance – A study of rural consumer behaviour” examined the relationship between quality attributions and rational buyer behaviour. The


study revealed that the difference between perceived quality and actual possessed quality give rise to dissonance. Persisted dissonance leads to attribution of reasons to overcome the ill effects of dissonance. Vendors either maintain silence or suppress the features, which they feel were detrimental to sale. Inadequate information leads to inadequate cognitive support and the corresponding dissonance. There was no uniformity of opinions of consumers concerning the usage of information while judging the quality of the product. Consumers have ranked durability as an important factor for judging quality of clothes, cosmetics and pharmaceutical products and brand name in respect of fertilizers and pesticides.

**Alessandro and Rigoberto (2005)**\(^{55}\) in their article on "Private Label Expansion and Supermarket Milk Prices," investigated the impacts of private labels (PLs) on fluid milk prices and price differentials using 2,759 supermarket-level observations from 10 cities. Non-parametric results reveal that although PL milk prices decrease as PL milk shares expand, eventually the effect is to increase the prices of manufacturers' brands as well as the price gap between private labels and manufacturers' brands.

brands. Econometric results further reveal that supermarkets exert some degree of price discrimination through controlling the brands of milk sold.

**Duffy (2005)**\(^{56}\) in his study on “The evolution of customer loyalty strategy” revealed that many of the past efforts used by marketers to develop customer loyalty have been ineffective because they have been based on tactics used in the airline industry. These shortcomings will become greater in the future unless marketers change their ways. Corporate scandals have eroded the trust that customers have in marketers and, therefore, marketing efforts must be more genuine and easily understood or customers will react skeptically. Concerns about privacy and identity theft have heightened concerns among customers and made them more wary and, therefore, less willing to openly share information and engage in a relationship with a brand unless there appear to be genuine value and behavior by the company that engender trust and faith.

**Armstrong et al., (2005)**\(^{57}\) in their study on “Marketing health-enhancing foods: implications from the dairy sector” found that, there is potential for the agri-food industry to expand further, particularly in the

---


case of added-value food products, among which health-enhancing foods should be treated as an important subset. However, a pre-requisite is development of enhanced consumer segmentation and product positioning strategies.

Kubendran and Vanniarajan (2005)\textsuperscript{58} in their study on “Comparative analysis of Rural and Urban Consumers on Milk Consumption” revealed that with a constant increase in disposable incomes among the strong middle-income class, the scope of marketing of milk is wider. It could be noted that the demand for milk and milk products depends on consumer’s willingness and capacity to buy. Since the consumers are not homogeneous, the consumption pattern of milk like quantum of purchase, mode of purchase, source of purchase, brand preference etc., are changing from consumer to consumer. The socio-economic profile of the consumers namely income status, occupational position, educational level, sex, age and region are the major determinants of the consumption pattern of milk.

\textsuperscript{58} Kubendran, V and Dr. T.Vanniarajan, “Comparative analysis of Rural and Urban Consumers on Milk Consumption”. Indian Journal of Marketing, Vol. XXXV, Number 12, December 2005.
Sakkthivel and Mishra (2005)\(^{59}\) in their study on “Effectiveness of Sachets in Modifying Rural Consumers’ Buying Behavior and their Consumption Pattern- A Researcher’s View”, revealed that, in recent days, rural India has been witnessing a sea change in all aspects. Needless to say, the increase in standard of living is catching up with new life styles. Thanks to private satellite channels, they bring the world courtyards of many village houses. This created a tremendous modification in the behavior of rural consumers. Also, many rural youth usually go out of their places for higher education, which proves to be a leverage to face new life styles in semi-urban and metros. Not only FMCG’s but many consumer durable companies found rural markets very potential and made inroads into this lucrative market. This vividly shows the potential of rural markets that were long neglected which now came into limelight with a force to reckon with. Hence, rural marketing finds a prominent place in every company’s marketing map and everyone wants to have a competitive edge in this arena.

Balakrishna (2006) in his study on “Consumerism and its Manifestations on Consumer Behavior” revealed that Consumerism has evolved from the tendency to procure more, which has resulted in many positive and negative effects. It is posing new challenges to governments across the world in protecting the environment. MNCs equipped with new marketing strategies are targeting their campaigns towards youth and influencing them to consume more. This excessive consumption coupled with the need to sustain the environment across the globe gives rise to new concepts like anti-consumerism and ethical consumerism.

Jane Lu Hsu and Yu-Tso Lin (2006) in their study they found that consumers who purchase larger quantities of fluid milk are those who have relatively higher household incomes. The taste and flavour of fluid milk products are the attributes that consumers value. Consumers who purchase more fresh milk products pay more attention to the fat content, calcium content, and whether the products have the certified labels. Consumers who consume large quantities of yoghurt drinks value overall beneficial bacterium attributes of the products and opined as good.


Jane Lu Hsu, Yu-Tso Lin, Consumption and attribute perception of fluid milk in Taiwan; Nutrition & Food Science; 2006, Vol. 36, issue 3, pp.177–182, Emerald Group Publishing Limited.
Sangu, Gupta and Kumar (2006)\(^{62}\) in their study entitled “Milk disposal and consumption pattern by milk producers in Western Uttar Pradesh” revealed that milk stock size, productivity of animals, milk production, milk flow towards milk vendors, total consumption and conversion of retained milk into products was positively associated with land holding size, while the share of milk used in fluid form was negatively associated with landholding size.

Gil, Andres and Salinas (2007)\(^{63}\) their study on “Family as a source of consumer-based brand equity” results proved that positive brand information provided by the family has effects on the formation of brand awareness-associations and perceived quality, and this may lead in turn, to brand loyalty and overall brand equity. The effects of the information provided by the family are higher than those of the marketing variables studied. Results also show that brand loyalty is much closer to the concept of overall brand equity than brand awareness-associations and perceived quality.

---


Sarathy (2007)\textsuperscript{64} carried out a study on “A comparative study on brand preference of selected fast moving consumer goods among rural consumers in Erode and Salem Districts”. The study revealed that there is a strong brand preference among rural consumers for the FMCG products. So companies aiming at rural market should invest more money and time to build their brand preference, keeping in mind, low penetration pricing, appropriate promotional strategy, value for money product and to build extensive distribution network.

Shiralashetti and Hugar (2007)\textsuperscript{65} in his article titled “Consumer Satisfaction with Special Reference to Milk Consumers in Gadag City” points out that more number of unpasteurized milk consumers' satisfaction level is high compared to pasteurized milk consumers towards quality, price and taste whereas it is the reverse towards supply of milk in the study area. The effectiveness of marketing management depends on the effectiveness in consumer satisfaction, as the consumer satisfaction is the main objective of marketing management. Therefore, the marketing management of pasteurized milk suppliers must go for regular consumer


satisfaction survey to adopt appropriate marketing strategy at right time to enhance their effectiveness in satisfying the consumers of milk.

Bai, Junfei, McCluskey, Jill and Wahl (2008)\(^{66}\) in their study titled “Fluid Milk Consumption in Urban Qingdao, China” revealed that, the effect of increased income on milk consumption is positive, as expected. The expansion of modern food retailers also appears to play a positive role by facilitating consumers fluid milk consumption and influencing their food shopping patterns. The young and old consume significantly more fluid milk than the middle-aged. Health consciousness of the elderly and the openness of youth to new foods appear to be fueling these consumption patterns. If the findings of this study apply to other urban regions in China, then as urbanization continues so also will the trend of increasing fluid milk consumption in China.

Akbay and Tiryaki (2008)\(^{67}\) in their study entitled "Unpacked and packed fluid milk consumption patterns" suggest that unpacked fluid milk preference is related positively to household size, income and age of the household head, and negatively to education level of the household head.


and status of the household wife. Similarly, pasteurized and sterilized fluid milk preferences are related positively to income and the education level of the household head, and negatively to household size and age of the household head. Results from these analyses are used to suggest techniques for marketing fluid milk products to specific segments of the consumer population.

Bower and Mateer (2008) revealed in their study titled “The white stuff? - An investigation into consumer evaluation of the Scottish celebrity milk marketing campaign” that, there was a high recognition and a positive attitude portrayed towards the campaign, and the celebrities used to endorse it. Milk appeared to be viewed as a commodity and although health benefits were recognised they did not appear to be instrumental in raising consumption levels. There were few differences in perception according to gender, age, socio-economic grouping and on comparison with a small group who had not seen the advertisements, except in perception of some non-nutritional views.

---

Feroze, Verma and Sawhney (2008)\(^69\) in their study on “Economic Analysis and Milk Utilization Pattern: A Case Study of a Cooperative Milk Plant in Haryana”, found that, the milk plants channelize the milk produced in rural areas towards the 'consumption pocket' to maintain the demand supply equilibrium and act as incentive for enhanced milk production. Milk being perishable commodity, its processing is the best alternative to enhance its quality and also increase the value of the product at each stage. There is need for proper planning to decide the product-mix and level of production for various products to become profitable and viable.

Reddy and Muniraju (2009)\(^70\) in their article titled “Building brands by helping others win” revealed that brand in means of differentiating a company’s products or services from those of its competitors. A good brand helps a company charge premium price for their products or services, since customers prefer to by good branded product and they will be loyal customers. Brand building plays a key role in the era of globalization. There are few companies that think about how

---


their business model can help others win too, in the process of brand building. In near future, almost all the business firms must try to build brands by helping others win.

2.4 GAP ANALYSIS

Most of the studies conducted in dairy industry have focused mostly on the procurement, logistics and pricing problems. Only few studies on consumption pattern of fluid milk consumers have been conducted. Similarly, though much research has been done into the product attributes and benefits, only few studies deal with the elements of consumer behavior in formulation of marketing mix strategies. Hence, the researcher has taken this research titled “A study on consumption pattern and buying behavior of fluid milk consumers in Salem district” to make an attempt to fill the identified research gap.