CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1 INTRODUCTION

Consumption is the ultimate aim of all economic activities and hence reaching the consumer is the primary objective of any producer. According to Adam Smith, "Consumption is the sole end and purpose of all production". Hence, a producer must determine the needs and wants of specific target markets and deliver the desired satisfaction in a better way. Consumers exhibit varied behaviour in searching for, purchasing, using and evaluating the products and services which they expect will satisfy their needs. The study of consumer buying behaviour focuses on how individuals make decisions to spend their available resources in terms of time, money and effort on consumption of related items. It is the study of what they buy, when they buy and how often they buy and under what conditions purchase is made (Leon Schieffman and Leslie Lazar Kanuk, 2003). The key to the success of the management lies in focusing their attention more and more on the consumer. The challenge before the marketer is to ensure that they satisfy every consumer (Suja Nair, 2006). The purpose of production is consumption and one's own purpose will be served only if the consumers’ interests are attended to (Adam Smith). How can a marketer ensure that his firm is able to respond to the consumers’ requirements quickly will depend upon the consumer expectations from the product or service and marketers must take all efforts to ensure that consumer satisfaction is achieved.

Consumers purchase variety of products in order to satisfy their daily needs. The product may be durables or non-durables. Fruits, vegetables, egg and milk are the non-durable items which the consumers purchase regularly for the purpose of consumption. Even then, the quantum of purchase depends on their age, income, education, type of family and their level of awareness on nutritive values of these products. Consumers must learn to obtain information about goods and services, understand the psychology of selling and advertising, learn to shop wisely and distinguish between wants and needs. Advertisements are no doubt an important source of information as they help to inform consumers about the availability of different products.
before making their choice. Apart from advertisements consumers also learn about the products available in the market through their friends, relatives and their extent of discussion with them. Such learning could enhance their knowledge on goods and services in different aspects such as their nature, usage, brand, nutritional value, availability and price. Hence consumer knowledge can be defined as the information stored in memory that is relevant to the purchase, consumption and disposal of goods and services (Blackwell, Miniard and Engel, 2008).

Consumer awareness is the knowledge of consumers regarding the present products in the market. It is quite helpful for the public as it provides the right to choice. It can help the consumers to appropriately satisfy their needs. This can also make the consumers economical and thereby raise their standard of living. In order to make the consumers aware, producers have to play a greater role as to proper labeling, providing true facts, health warnings, handling information, expiration date etc., Consumers should be made aware of the products and services through an effective media of publicity and promotion. Consumer awareness determines their preferences and expectations towards the type of products they purchase. Hence a thorough understanding of consumer awareness and preferences is essential in identifying suitable strategies for effective penetration into the defined market segments. Further, this will also help a firm to play a more active role in anticipating consumer needs and wants, in shaping their desires and aspirations and solving many of the consumer’s day-to-day problems in purchase (Patel and Prabhakaran, 1980). The market today is flooded with different types of products from various producers. The products may be branded or unbranded. The socio-economic variables of the consumers play a vital role in determining their preference towards either branded items or unbranded ones. According to Salim and Praven Raj (2010), a brand is the promise of the seller to deliver specific set of benefits or attributes to the buyers. The term ‘Brand preference’ means the preference of the consumers for one brand of a product in relation to various other brands of the same product available in the market. Marketers are most interested in consumer’s knowledge of their brand and competitive offerings which can be obtained by analyzing consumers' awareness and image of available brands. Brand awareness affects decisions about brands within the considerations set (Hoyer and Brown, 1990). In general, consumers may employ a
heuristic to buy only familiar, well established brands (Roselius, 1971). In such a situation, the marketers should pay more attention in positioning the product in the minds of the consumers.

1.2 STATEMENT OF THE PROBLEM

At the dawn of twenty-first century, the global market become diverse. The cultures of the people are not only different from each other but also different from others within those cultures. Consumers are different from each other not only because of their age, gender, education, occupation, marital status and living conditions, but also different from each other because of their activities, interests, awareness, preferences, the things they buy and the food they eat. Milk is an indispensable item of consumption for human beings. It is an excellent beverage for the convalescent and is also required for a variety of refreshments like for mixing with coffee, tea, etc. Milk constitutes the most important source of nourishment for both vegetarians and non-vegetarians. The consumption of milk depends to a greater extent upon the consumers’ awareness of its nutritional value. Several studies have been conducted so far on milk consumption which include the awareness of its components and importance as a part of the study. Patel and Prabhaharan (1980) pointed out that most of the consumers in Chennai are aware of the varieties of milk available in the market. If this is so, is the awareness of the milk similar among the consumers in Coimbatore District?

Jain and Sharma (1999) have found that flavour, taste, price, freshness are the factors that influence the purchase of milk. Katre and Sitaram Prasad (2000) have identified that consumers of liquid milk mostly desire the characteristics of milk such as freshness, colour, appearance, nutritive value, wholesomeness and human safety. If this is the case, do the consumers of the study area have the same preference? Jagadish Badola (2003) found that there was a significant influence of occupation and income on the consumption of milk. Similarly, Sivasubramanian (2003) also observed that milk consumption increases due to the increase in income and education. Are the same factors influence the consumers in Coimbatore District?

Santhi (2005) identified that the consumers of branded milk were influenced by reference group apart from their personal preference and milk vendors’ influence on
consumers to buy unbranded milk. She has also found that majority of the consumers belonging to nuclear family system are aware of the varieties of milk and also that pasteurization process kills bacteria in milk. If it is the case, do the same factors influence the consumers of branded milk and unbranded milk in the study area? What is the awareness level of consumers belonging to nuclear family and joint family?

1.3 OBJECTIVES OF THE STUDY

The study makes an attempt to seek solutions to the questions raised in the statement of problems. Accordingly, the following objectives have been framed.

1. To measure the level of consumers' awareness of the consumption of the milk
2. To find out the factors associated with consumers' level of awareness of the milk
3. To identify the factors that influence consumers' level of awareness of the milk on various segments of the study and
4. To suggest suitable measures to enhance the level of the awareness of the consumption of the milk.

1.4 METHODOLOGY

The data required for the study is primary in nature. Questionnaire method has been used to collect the data.

1.5 SAMPLING

Convenient Random Sampling method has been adopted in choosing a sample of 1200 consumers. Out of them, 264 consumers failed to respond and 175 consumers returned the questionnaires incomplete. Finally, the number of consumers forming the sample size was restricted to 761.

1.6 FRAMEWORK OF ANALYSIS

The data collected have been analysed making use of different statistical tools. The tools used include (i) Chi-square Test, (ii) Analysis of Variance (ANOVA), (iii) Simple Correlation, (iv) Multiple Regression, (v) Step-wise Regression, (vi) Path Analysis and (vii) Friedman's Ranking Technique. Chi-square test is employed to ascertain the association between the selected variables and consumer awareness of the milk.
ANOVA has been used to find out whether the mean awareness of the milk index of various groups of consumers differed significantly. Simple correlation analysis has been used to ascertain the nature and strength of relationship between the selected variables and consumer awareness. The technique of Multiple regression has been employed to ascertain the combined influence of the selected variables on consumer awareness. The most prominent factors that influence consumers’ awareness of the milk are ascertained through Step-wise regression analysis. The direct and indirect effect of the variables has been carried out through Path analysis. Friedman's Ranking Technique was applied to test if there is any significant difference between mean ranks.

1.7 SIGNIFICANCE OF THE STUDY

Findings of the study will be of immense use to milk producers, distributors, Government, Non Government Organizations (NGOs) and the consumers as well. Milk producers and distributors will get insight into the level of awareness of consumers of the milk. Inorder to frame the suitable marketing strategy for effective penetration into the defined segments, the milk producers as well as the distributers must have a thorough understanding of the level of awareness of the consumers. This will also help them in designing marketing communications best suited for the target audience. Above all Government agencies can take steps to conduct the awareness programs in a better way, considering the consumers present level of awareness. The study may also help the Non Government Organisations (NGOs) make the public aware of the nutritional values of milk. In addition to this, the study will help the consumers to know about the facts and proper way of usage of milk which they should be aware of.

1.8 LIMITATIONS OF THE STUDY

The study is based on the data collected from consumers residing in Coimbatore District alone. Hence, while generalizing the results, caution may have to be exercised. Any limitation that pertains to an opinion survey is bound to be applicable to this study as well.
1.9 CHAPTER SCHEME

The report of the thesis is presented in nine chapters.

The first chapter introduces the theme of the study, statement of the problem, objectives of the study, methodology, sampling procedure, framework of analysis, significance of the study and limitations of the study.

Indian dairy industry and the consumption of milk form the second chapter. A view on the Indian dairy Industry, India’s milk product mix and consumption of milk are dealt in this chapter.

Review of related studies forms the third chapter. The results of the studies carried out in abroad and in India are highlighted in this chapter.

The fourth chapter pertains to the research methodology employed for carrying out the study. Method of data collection, sampling procedure and the purpose for which various statistical tools are used have been explained in this chapter.

The profile of sample consumers comprising socio-economic, information seeking behaviour and buyer behavior are exhibited in chapter five.

The extent of the level of awareness of the milk and the differences that exist between the selected socio-economic variables and the level of awareness is dealt in chapter six.

The chapter seven makes an attempt to find out the factors that are associated with the level of awareness of the milk.

In chapter eight, an effort has been made to identify the factors that influence the level of awareness of the milk among different segments of the consumers, namely, Branded milk segment, Unbranded milk segment, Nuclear family segment and Joint family segment.

The last chapter summarises the findings of the study. This apart, suggestions for improving the level of awareness of the milk are included.
REFERENCES


