CHAPTER – II

REVIEW OF LITERATURE
The marketing concepts are drastically changing and are being challenged by a world of empowered consumers, heightened competition, globalization, advances in technologies and the interdependencies of these forces. This prompted many researchers to conduct various studies that reflect the consumer behaviour with respect to various industries.

This chapter discusses about the different streams of consumer’s behaviour related to the dairy products. A detailed review of existing literature in consumption patterns, consumer motivation, influencing factors and role of peer and family groups with reference to dairy products are overviewed in this chapter. This chapter acts as base for developing the entire scheme of the present study.

2.1 THE CONCEPT OF CONSUMER BEHAVIOUR

Behaviour is what a person does. It can be defined as the observable and measurable activity of human beings. Human behaviour is regular, not despotic; systematic not random. Inducements or needs cause the human behaviour. Human behaviour is a part of naturalistic system.

Behaviour is basically goal oriented. In other words behaviour is in general motivated by a desire that it may obtain a goal. Behaviour consists of anything a person or animal does which can be observed in other way. Behaviour, unlike mind or thoughts or feelings can be observed, recorded and studies.
The decision process involves the mental, emotional, and physical that people engage in when selecting, purchasing, using, and disposing of products and services so as to satisfy needs and desires. To make purchases, consumers go through a buying decision process that can be thought of as solving a problem.

Consumer behaviour is simply a sub-section of the larger area of human behaviour. Consumer behaviour can be found based on bio-psycho-sociological factors. That is, biological drives such as need for food, water, sleep and warmth have impact upon consumers, psychological inducements like social approval, self esteem, security, status and knowledge also have strong impact / affect upon consumers. In addition to these, consumers also respond to sociological forces which are family, reference group, social class, and culture. So, consumer behaviour can be explained in terms of innate affects of psychological, sociological and environmental factors as well as biological and physiological phenomena. Consumer behaviour is moved by a sudden impulse. It is neither emotional nor rational, but the both, the learning and communication cause or affect the consumer behaviour. It is seen to be as a process of problem solving. This consumer’s problem solving behaviour is subject to group influence and occurs under strong motivational circumstances. Thus, consumer behaviour relates to the inner man i.e., covert behaviour.

2.1.1 Definitions of Consumer Behaviour

According to Hoyer, Macinnis (2008), “Consumer behaviour reflects the totality of consumers’ decisions with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units (over time).”
According to **Kotler and Armstrong (2004)**, “Consumer buyer behaviour refers to the buying behaviour of final consumers- individuals and households who buy goods and services for personal consumption. All of these final consumers combine to make up the consumer market.”

According to **Solomon (1996)**, “Consumer behaviour is the process involved when individuals or groups select, purchase, use, or dispose of products, services, ideas or experiences to satisfy needs and wants.”

**Peter F. Drucker (1988)** was apt in saying, “it is the consumer who determines what business is…. What the consumer thinks he is buying, what he considers ‘value’ is decisive – it determines what a business is, what it produces and whether it will prosper”. The importance of consumption was recognized even in early periods when Adam Smith (1776) stated that “consumption is the sole end-purpose of all production”.

**William L. Willkie (1986)** defined consumer behaviour as “the activities that are selecting, purchasing and using products and services in order to satisfy the needs and desires in which people engage”. Such activities comprise of mental and emotional process, in addition to physical actions.

According to **Belch and Belch (1985)**, “Consumer behaviour is the process and activities people engage in when searching for, selecting, purchasing, using, evaluating, and disposing of products and service so as to satisfy their needs and desires”.

**Schiffman and Kanuk (1978)** stated consumer behaviour is “the behaviour which consumers show forth in searching for, purchasing, using and evaluating products, services and ideas which they expect
will satisfy their needs”. Here, the term ‘evaluation’ has been used by Schiffman and Kanuk in the context of re-purchase. In case of first purchase consumer’s mind will first evaluate and finally adopt or reject the product. Thus, consumer behaviour entangles all the acts of individuals which entangle buying and using products, comprising of the decision process which precede and determine these acts. However, the factors precede and determine consumer behaviour and they are a combination of external and internal influences that a consumer interacts constantly.

The study of consumer behaviour is the attempt to understand and foretell human actions in buying process. Consumer behaviour surrounds an immense area comprising of consumer motivation, preferences, purchasing patterns, buying process and shopping behaviourete. Thus, the study of consumer behaviour concentrates an answering to these questions, “why, when, where, what and how do the consumers buy”.

Engel, Kollat and Blackwell (1970) define consumer behaviour as “acts of individuals directly involved in obtaining and using economic goods and services, including the decision processes that precede and determine these acts”. They add further that though the word behaviour is used to include only the overt or observable actions, it is increasingly being recognized that the overt purchasing act is only one (the discernible) portion of the decision process. Consumer behaviour, viewed more rationally, would include the less discernible, but nevertheless important process that underlie and accompany consumption. In effect it involves the study not only of what people consume but when, how often, and under what condition goods and services are consumed.
2.1.2 Importance of Consumer Behaviour

There are a number of reasons to study it as a separate marketing discipline. Buyers seldom act or re-act as undifferentiated individuals as postulated by economic theory. The size of the consumer market is vast and constantly expanding. Consumer preferences are ever changing and becoming highly diversified. The needs for goods and services are not always more homogeneous in consumer markets. Buyers are exhibiting diversified preferences and less predictable purchases.

The introduction of new products at an ever increasing rate resulted in many products facing market disasters. To solve this problem, marketers are making a determined effort to learn more about buyers so as to serve as a useful guide in the development of new products to fulfil unsatisfied needs.

Shorter product life cycles, environmental concerns, increased interest in consumer protection and public policy legislation, the growth of services marketing and non-profit marketing, the growth of international markets and the development of computers and sophisticated methods also contribute to the development of buyer behaviour as a marketing discipline.

Market segmentation is the first step in the development of a successful marketing strategy. The study of buyer behaviour enables the marketers to group buyers into segments on the basis of needs or characteristics relevant to the product category. After evaluating the size and potential of each of the identified segments, the marketer selects one or more segments to target with a unique marketing mix. By attempting to develop a special image for the products in the target market relative to competitive products, the marketer positions his product i.e. carving a niche in the market place. Three important sets of persons active in
dealing with buyer behaviour are marketers, buyers and public policy makers. Marketers and buyers are active on a daily basis, each approaching the market place for the purpose of making transactions. Consumers spending provide rewards and profits for firms and jobs and incomes for employees of the firms. Changes in consumer spending behaviour have important effects on the overall economy.

The Planner of the enterprises needs to know about the changes taking place in an economy in order to adjust the supply to the demand of different goods. In common parlance demand is considered in physical terms. But in actual practice, demand for a product is affected by many of the factors which can be termed as psychological or behavioural factors. It is not all alone the product which is purchased as the product but also purchased with the product are the benefits the buyer believes or expects from the same as well as the value satisfaction they hope to obtain by its use.

According to Levin (1988), this is the competition of product augmentation, not competition between what companies produced in their factories, but between what they add to their factory output in the form of brand attributes of the product, advertisement, readily availability of services, financing, delivery arrangement and other things that people value.

Thus, it is important to study consumer behaviour in order to have in-depth understanding on consumer related studies.

2.2 MODELS OF CONSUMER BEHAVIOUR

Consumer behaviour by its very nature is an applied field of study and has got an interdisciplinary character in that it borrows from the various disciplines of Psychology, Sociology, Economics and Social
Anthropology, etc., to furnish a body of knowledge about the consumer. Several theories of consumer behaviour have been formulated, rejected or substantiated and with them, has changed our concept of the consumer. Emerging from the earliest utility theories of economics, buyer behaviour begins to be analysed on the basis of traditional stimulus-response view of psychology, whereby behaviour could be explained by stimulus and response, reward and punishment, cues and drives. Later on complex constructs such as motivation, values and attitudes were brought into to explain consumer behaviour. Hence, in the 1940’s the psychoanalytically orientated motivation researchers introduced the concept of both conscious and unconscious motivation in marketing. Social theories like Veblen (1919) brought in the understanding of man primarily as a social being and tried to explain behaviour in sociological terms. By the late 1950’s mathematical models emerged from psychology, the stochastic learning models followed by cognitive-flow-chart models and computer-stimulation approaches were adopted. Condensed descriptions of the basic approaches to the study of consumer behaviour are discussed as follows:

1. **Psycho-Analytic Model (1890’s)**

   This model is the brain child of Sigmund Freud, who pioneered the analysis of personality complexities through rigorous observation, and thereby threw initial light on basic reasons for individual responsibility differences. This model offers superior and innovative implications to the marketers for designing a product message that suits the psychological needs of the consumers.

   Freud started with the assumption that the child enters the world with instinctive needs which he cannot gratify apart from others and systematically introduced social influence through the constraints that society exerts on human tendencies.
The theory further assumes that buyers are also influenced by their desire to reduce psychological drives, and in certain cues, these are more important than other drives. This approach of Freud stresses that the personality is made up of three main systems of inter-dependent psychological forces on logical constructs: the id, the ego and the super ego. The super ego contains values that limit actions on ethical and moral considerations. Ego mediates between the unrestrained needs of id and social constraints of super ego. Behaviour, then, is a blend of interaction of these three systems.

Freud seemed to believe that sex or libido is the most important of all instincts and that apparent motives for an act often can be found in the sexual drive exerting itself in unconscious and devious fashion. The alleged finding that women bake cakes to satisfy an unconscious desire to give birth, no doubt, has its genesis in the libido.

The most important marketing implication of this model is that buyers are motivated by symbolic as well as economic functional product concerns. Motivation research can lead to useful insights and provide inspiration to creative men in the advertising and packaging world. Appeals aimed at the buyer’s private world of hopes, dreams and fears can often be effective in stimulating purchase as more rationally directed appeals.

To conclude this model suggests hidden opportunities a marketer can exploit by way of analyzing buyer from psychological dimensions. It is always not necessary that a buyer makes rational decisions, but in quite some major cases, the psychological attitudes of buyers may be more dominant.
2. The Gestalt Model (1900’s)

The “Gestalt” (means unified whole or configuration in German) theory was built around carefully designed experiments that proved rather conclusive that individual stimuli are perceived and interpreted in relation to the organization of an individual’s experience. Kurt Lewin, a prominent proponent of this theory, states that man lives in a complex psychological field composed of many influences, all of which must be comprehended into a realistic theory of motivation. Behaviour, as per Kurt Lewin, is motivated by the individual striving toward a stable organization of his psychological field through attempting to reduce tensions, reconcile conflicts and make sense or progress towards his goal. Thus man is treated as being goal oriented and responding to his environment in a manner he perceives that will attain his goal.

3. Nicosia Model

Francesco Nicosia, one of the prominent motivation researchers, using the techniques of computer flow charting has divided his model into four basic parts, called fields.

**Figure 2.1 Nicosia Model**
Of the four basic fields outlined in this model, field one consists of the output of an advertising message (sub-field one) and the consumers as the recipient of this message (sub-field two). The message, when received by the consumer, serves as an input to the consumer’s attitude and predisposition (sub-field two). As the message is received and reacted upon, it may, hopefully, lead to the formation of a favourable product / brand attitude for the advertised product. This attitude serves as an input for field two, which represents the search for an evaluation of the advertised product and existing alternatives. This evaluation may or may not lead to motivation to buy the advertised brand. If it does, it serves as an input for field two, which represents the search for an evaluation of the advertised product and existing alternatives. This evaluation may or may not lead to motivation to buy the advertised brand. If it does, it serves as an input for field three which represented the transformation of motivation into purchase action. Purchase action leads to the consumption and storage of the product (field four) the output of which acts as a feedback of sale results to the firm and the retention of post purchase experience in the buyer’s predisposition and beliefs about the product.

There are, however, certain difficulties in the practical application of the model. The linkages between the elements are at best “FUZZY” and, therefore, it is not clear how this conceptual approach is applicable to the common problems faced daily by the marketer.

4. Cognitive Theory (1950’s)

The cognitive theory or the theory of cognitive dissonance is very pertinent to the understanding of human behaviour, and has provided highly useful and rational explanation for the buyer behaviour. This theory also offers theoretical explanation for brand loyalty, since it
explains to a certain extent the tendency towards consistent brand patronage.

**Leon Festinger (1957)** proposed the theory of cognitive dissonance, which states that a powerful motive to maintain cognitive consistency can give rise to irrational and sometimes maladaptive behavior. According to Festinger:

i) The existence of dissonance (a state of imbalance in the cognitive structure) is psychologically uncomfortable and will lead the person to reduce dissonance and achieve consonance (i.e., balance).

ii) Whenever dissonance exists the person, in addition to trying to reduce, will also actively try to avoid situation and information which add to dissonance.

Consider the implication of such a process for the purchase and post-purchase behaviour of individuals. An individual strives towards equilibrium in his cognitive structure (set of beliefs and disposition about people, products, events, etc.) and will strive to reduce tension in order to maintain this balance and render life pleasant. A disharmony (dissonance) may result from purchasing a product, after using it or receiving adverse reports about the product, especially if the product is an expensive one. The magnitude of the post-purchase decision is an increasing function of the general importance of the decision and of the relative attractiveness of the un-chosen alternatives.

Applied to day-to-day marketing situations, the theory interprets buying behaviour. According to Festinger, the buyer in this situation will try to reassure himself by seeking information to support his choice, and also by avoiding source of information which would reduce his buying confidence. He may in addition, collect information which
projects the rejected alternatives in the disadvantageous light. Being
selective in his perception, therefore, the buyer may select the
information supporting or favourable to his choice and avoid distorting
and unpleasant information.

This theory triggered off a series of relevant research studies
which have added to the fund of knowledge about the consumer. Several
studies on advertisement readership have proved that in order to reduce
dissonance, a large amount of advertising is actually read after the
purchase has been made.

The marketing implication of this theory lies in the fact that,
since dissonance and reassurance should be embedded in the product-
package, its advertising and word-of-mouth publicity is also in its after-
sales services. The advertising and promoting function should be
enlarged to include the reassurance aspect to lead support to the buyer’s
choice-decision.

5. Howard –Sheth Model (1963)

Utilizing the learning theory thoroughly and systematically, John
Howard has come out with the first truly integrated model of buyer
behaviour in 1963. He was the first to introduce the difference between
problem solving behaviour (similar to rational behaviour of the
economic theory), and automatic response behaviour. A more
meaningful elaboration has been provided in the publication of the
Theory of Buyer Behaviour in 1969 by Howard and Sheth. More
variables impinging upon the buyer behaviour are included and the
connection between them has been clarified with noteworthy precision,
making this model an important landmark in the development of the
“theory of buyer-behaviour”. The Howard-Sheth model is a major
revision of an earlier systematic effort to develop a comprehensive
theory of consumer decision-making. This model distinguishes among three levels of learning stages in decision making. They are:

i) *Extensive Problem Solving*: It takes place when the buyer’s knowledge and beliefs about brands are limited or non-existent, and he or she does not have specific brand preference. Here the buyer activity seeks information concerning a number of alternative brands.

ii) *Limited Problem Solving*: It takes place when the buyer’s knowledge and beliefs about the brands are only partially established, and he or she is not fully able to assess brand differences in order to arrive at a preference. Some comparative brand information is sought, although the decision criteria are likely to be fairly well defined.

iii) *Routinized Response Behaviour*: It occurs when the buyer’s knowledge and beliefs about the brand and its alternatives are well established, and the buyer is predisposed to the purchase of one particular brand. Table 2.1 summarizes the main characteristics of each of those three stages of decision making.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Amount of information Needed prior to purchase</th>
<th>Speed of decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensive problem solving</td>
<td>Great</td>
<td>Slow</td>
</tr>
<tr>
<td>Limited problem solving</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Routinized response behaviour</td>
<td>Little</td>
<td>Fast</td>
</tr>
</tbody>
</table>

A simplified version of Howard-Sheth model of buyer behaviour is furnished in Figure 1.2. The model is essentially an attempt to explain brand-choice behaviour over time and therefore specifically pertinent to our field. The model consists of four major sets of variables, viz., inputs, perceptual and learning constructs, outputs and exogenous variables.

**Inputs:** The inputs variables consist of three distinct types of stimuli (information source) in the buyer’s environment. Physical brand characteristics (significative stimuli) and verbal or visual product characteristics (symbolic stimuli) are the stimuli furnished by the marketer in the form of product or brand information. The third type of stimuli is provided by the buyer’s social environment (family, reference groups and social class). All the three types of stimuli provide inputs concerning the product class or specific brands to the prospective buyer.

![Howard-Sheth Model Diagram](image)

*Figure 2.2 Howard-Sheth Model*


**Perceptual and learning constructs:** The central component of the Howard-Sheth model consists of psychological variables that are assumed to operate when the buyer is contemplating a decision. These
constructs are treated as obstructions, and are not operationally defined or directly measured. Some of the variables are perceptual in nature and are concerned with how the buyer receives and processes information acquired from the input stimuli and other parts of the model. For example, stimulus ambiguity occurs in a buyer when he is unclear about the meaning of information received from the environment, perceptual bias occurs if the buyer distorts the information received so that it fits his or her established needs or experiences. Learning constructs serve the function of concept formation. Included in this category are the consumer’s goals, information about brands in the evoked set of criteria for evaluating alternatives, preferences and buying intentions. The proposed interaction (linkage) between the various perceptual and learning variables and the variables in other segments of the model gives the Howard-Sheth model its distinctive character.

**Outputs:** This model indicates a series of outputs such as intention, attitudes, brand comprehensive, and attention that correspond in name to some of the perceptual and learning constructs in addition to the actual purchase.

**Exogenous variables:** Exogenous variables are not directly part of the decision-making process. Relevant exogenous variables include the importance of the purchase, buyer’s personality traits, time pressure and financial status.

The model is based on the following assumptions:

1) Buying is a rational exercise in problem solving.

2) Buyer behaviour is systematic and orderly and as such is caused by inputs (stimuli) and results in outputs which is the buying behaviour.
The Howard-Sheth model is complicated and rather confusing and has been criticized on a number of key points. These include its failure to explain adequately the interaction of inputs, stimuli ambiguity and perceptual bias, and its neglect of variables such as needs, communication, and the decision processes. Nevertheless, most of the academic commentary on the model stresses its value in clarifying the understanding of the buyer behaviour.

6. Engel, Kollat and Blackwell Model (1970’s)

Engel, Kollat & Blackwell have applied the term multi-dimensional to the model to refer to the fact that “many processes intervene and mediate between exposure to stimuli and final outcome of behaviour. Consequently, many factors affect the outcome, making the picture of composite behaviour a multifaceted one.

According to this model there are four basic components to the decision making process. They are:

i) The central control unit: It is the individual’s own command centre including both memory and basic facilities for thinking and directing behaviour. Those that directly influence buyer behaviour are information and experience, evaluative criteria and attitudes, each of which is affected by the individual’s personality. Together, these factors interact to form a sort of filter through which all the incoming information from exposure to various stimuli is processed.

ii) Consumer information processing component: The incoming stimuli are processed through the filter and are processed in four sequential distinct phases of exposure, attention, comprehension, and retention. The process within the central control unit interacts with this incoming stimulus to shape the final outcome. Arrows
in the chart show the impinging influence of central control unit on information processing. Broken arrows show the feed-back.

iii) The Consumer decision process: It consists of five stages:
   a) Problem recognition
   b) Internal search and alternative evaluation
   c) External search and alternative evaluation
   d) The purchasing process and
   e) The decision outcomes

Problem recognition could occur because of the awareness of an external stimulus or through needed activation or through a process of autistic thinking. Once the problem is recognized, the individual begins a search for preferable alternatives to solve the problem at hand, both externally and internally. The internal search is largely unconscious and is a weighting process of the buyer’s attitude towards the brand in question. External search being insufficient to identify preferable alternatives, all these sequential stages may not necessarily lead to purchase. External influences like income, culture, conflicting family desires etc., may serve as constraints.

iv) The purchase process and its outcomes: The preceding steps lead to a decision to buy, which then is acted upon through a purchase process. Decision making does not necessarily cease at this stage, however, because there still may be a necessity to select the appropriate outlet and to engage in negotiation before the purchase is made. This stage depicted in Chart 2 has two possible outcomes of purchase: a) post-purchase evaluation and b) further behaviour.

a) Post-Purchase Evaluation: Dissonance is not the only outcome of purchase. It is also possible that problems with the product and its benefits can lead to a reconsideration of evaluation criteria. The consumer learns from experience and will avoid mistakes.
The most common outcome is satisfaction with the purchase. This would serve to reinforce the existing attitudes and the evaluative criteria towards the brand and increase the probability of future purchase. If the process continues that the constant reinforcement of favourable attitudes would lead to a constancy of preference and consequently the development of brand loyalty.

b) *Further behaviour:* The outcome also can change circumstances and thus trigger additional action. Behaviour is sequential. One purchase act could have implication on future purchase behaviour. In fact, the purchase decisions in the past become inputs for decision making in future.

In some cases, the opinions of family or friends may become a significant part of post-purchase evaluation. If everyone tells that the product brought by him seems overpriced, these opinions are bound to affect his satisfaction with the transaction. There are two implications for the marketers. The dissonant consumer may not buy the same products in future and further he may advice others also not to buy (negative word-of-mouth). In case of satisfied consumer, he will exhibit a higher probability of purchasing the product on the next occasion and he will also tend to say good things about the product to others. Whether satisfactory or not, feedback on the results of the decision process will serve as experience to be called upon in similar buying situations in the future.

7. **Veblenian Socio-Psychological Model**

The theories discussed above stressed the behavioural aspects pertaining mainly to economic and personality variables. But in reality, the personality variables are governed by the social and cultural norms which the society has and in which consumer is living. Therefore, social influences exert great pressure to mould and direct individual behaviour.
Thorsten Veblen saw man as primarily a social animal conforming to the general forms and norms of his larger culture and to the more specific standards of the sub-cultures and face-to-face groups to which his life is bound. His wants and behaviour are largely moulded by his present group memberships and the group memberships to which he aspires. The basic theme is that man’s attitudes and behaviour are influenced by several levels of society, culture, sub-culture, social classes, reference groups and family. The challenge to the marketer is to determine which of these social levels are most important in influencing the demand for his product.

i) Reference Groups

The reference group or social body is one with which an individual identifies himself and whose standards of behaviour he/she accepts and addresses to exert a significant influence on the individual behaviour. Most people have several reference groups like family, friends, religious institutions, civic groups and professional organizations. There are reference groups in which the individual has no membership but with which he wants to identify himself. Many young boys identify with cricket players and many young girls identify with cine stars. The activities of these popular heroes are carefully watched and frequently imitated. These reference groups may serve as points of comparison and as source of information to a person. Consumers may change their behaviour to be more in line with the actions and beliefs of group members. May be, this is the reason why even today marketers are using the cine and sports stars in their advertisements. For example, Lux brand use actresses as models, Vimal and Digjam use cricket players as brand ambassadors and for shaving creams also sports stars preferred.
ii) Culture

Culture is a chain of learned beliefs based on experience, values, attitudes, habits, and forms of behaviour that are shared by society and are transmitted in vogue from generation to generation within that society. Culture is maintained by society’s transmission of customs followed and moves through the process of accumulation and socialization. These processes are similar to those employed by small groups in ensuring normative behaviour of members: how we act toward others, what is important to us, what we wear, eat and otherwise buy and consumers are greatly influenced by our culture.

Since culture greatly affects buyer’s behaviour patterns, it is of obvious importance to marketer. If the behaviour pattern of cultures was stable and unchanging, the net effect for marketers would also be stable. However, the behaviour of culture tends to be dynamic rather than static, especially in fast-pace modern societies. In addition, the marketer’s job is made more difficult because numerous sub-culture and contra cultures are part and parcel of most ultra-modern societies.

iii) Sub-culture

Sub-Culture is a distinct culture group existing within a larger culture. The members of a sub-culture tend to adhere too many of the cultural moves of overall society, yet they also profess beliefs, values, and customs which set them apart. An understanding of sub-culture is important to marketing managers because the members of each sub-culture tend to show different purchase behaviour patterns.
iv) Social Class

One important social group is social class. Every society stratifies its members into social classes according to their value in the society. The members of social class share common values, and ways of thinking, speaking and behaving. Their influence on the individual is often so broad and subtle that he is hardly aware of it. Yet social class has much to do with his behaviour as to show where he fits into society and the way he feels about them all reflect the influence of characteristics of his social class and how they influence consumer behaviour. Armed with this knowledge, the marketer can create marketing mixes designed to appeal to social classes differences.

v) Family

The family affects individual’s personality and character. As a primary group the family is perhaps the ultimate face-to-face interaction, and from the individual consumer’s point of view, it differs from larger reference groups, in that family members must satisfy their unique and joint consumption needs from a common and relatively fixed amount of financial resources. Then, the family influences individual personality characteristics, attitudes, and values as well as the decision process utilized in the purchase of goals and services. Family structure or behaviour of nuclear family members at each stage in the decision making process is of fundamental importance to marketers.

One person in the family may act as the family purchasing agent. But the purchasing agent is not necessarily the family decision maker. Decisions on what to buy often matters. The wife is usually thought of as buying specialist of family. She shops for the children and home. For more expensive items both wife and husband are involved in the buying decision. The roles may vary considerably depending on the type of
purchases. Although each family behaves differently, marketers can learn how families typically decide and shop for different products so that they can tailor their marketing needs to fit the general patterns.

Thus, the model views consumer as a social man trying to adopt the social norms and culture. Therefore, marketers may aim at understanding these social phenomena as it would make their marketing strategy more logically meaningful.

The preceding discussion on the various models of consumer behaviour gives us a framework within which certain aspects of customer-behaviour can be studied, for they furnish concrete guidelines to our understanding of the customer as an individual, a social person, a rational economic person and so on. The earlier models such as economic, psychological and social models of consumer behaviour have tried to enlarge upon single specific facet of the consumer personality while the later models of decision process have gone further to incorporate the findings of all related behavioural sciences to further an interdisciplinary and consequently a multi-dimensional and more complex approach to consumer behaviour. The present study has made use of sensual aspects of consumer behaviour in purchasing dairy products.

2.3 LITERATURE ON CONSUMER PURCHASING PATTERNS AND MOTIVATION

Consumer purchasing patterns refers to the manner in which consumers purchase goods or services in terms of amount, frequency, timing etc. Consumer Motivation refers to driving forces within an individual produced by a state of tension caused by unfulfilled needs, wants and desires. Consumers, at any given time, are generally influenced by a set of motives rather than just one motive. This section
mainly reviews important studies that investigated on consumer purchasing patterns and motivation with respect to dairy products and other similar type of products such as ready to eat, vegetables or groceries.

Kesavan (1982) investigated the consumption pattern of milk and milk products for Kerala state by using cross – section data collected in year 1973 – 74 on 1150 households. Projections of consumption of liquid milk and expenditure on milk products revealed that at different rates of growth in per capita income, the demand of milk and milk products would increase considerable by the end of the decade. Also, it was found that per capita total expenditure has positive relation with consumption of milk products. Education and household size were found to exert no significant influence on milk and milk products consumption in general.

Subramanyam et al.(1982) studied the consumer opinion on purchase of dairy products in Visakhapatnam and they found that a large number of consumers were preferring to purchase the consumer products including groceries and dairy products from the private retail shops which are followed by super bazar and consumer co-operatives.

Joshi (1993) investigated on the food purchasing habits and consumer awareness in Dharwad among rural and urban housewives. The results indicated that majority of the urban respondents purchased the groceries like cereals, pulses, oils, spices and sugar on monthly basis. While perishables like fruits, eggs and meat were purchased once in week and milk was purchased daily. Rural respondents purchased cereals, pulses, oils, spices, sugar and fruits once in week and milk daily. Regarding place of purchase, 83per cent of urban and 99per cent of rural respondents purchased all the groceries like sugar, rice, and
wheat from fair price shops. Both rural and urban respondents purchased groceries (99% each), perishables (89% and 99% respectively); ready to use foods (97% and 87% respectively) and commercially available foods (96% and 6% respectively) from retail shops. Price, quality and weight of the products were the important factors considered by both rural and urban respondents while purchasing of food items.

**Hugar et al. (2001)** carried out a study on dynamics of consumer behaviour in vegetable marketing in Dharwad city. Low income groups purchased lesser quantity (3.25kg/week) of vegetables as compared to medium (5.40 kg/week) and high income groups (4.66 kg/week). Majority of low income group preferred to purchase vegetables from producers because of reasonable price. High and medium income families preferred stall vendors for the purchase of vegetables because of better quality and correct weight age.

**Carola et al. (2004)** argued that consumers use of quality characteristics to make milk purchase decisions reveal opportunities to create successful marketing strategies. Such a strategy could concern food quality. They presented an article analysing the impact of certain quality characteristics and socio-demographics on consumption patterns regarding whole fat milk, skim milk and organic milk. These milk were chosen because of the increasing awareness of different fat contents in the meaning of lower fat contents being healthier and the increasing importance of the organic food market. They identified three core areas influence consumers quality perceptions: the perception process, the physical product itself and the communication about it. A consumer survey using structured questionnaire with 260 households in Germany was used to collect the relevant data for the study. The study revealed clear differences in consumers’ perception of quality characteristics for
the different milks. The younger consumers who are health conscious are choosing to buy skim milk rather than other cluster of respondents.

**Kubendran and Vanniarajan (2005)** studied that the change in consumption pattern was due to changes in food habits. If income and urbanization increase among consumers, the percentage of income spent on consumption increased. The urban consumer’s preferred mostly branded products compared to rural consumers. The most significant factors influencing buying decisions were accessibility, quality, regular supply, door delivery and the mode of payment.

**Sandeep et al. (2007)** argued that consumers are not homogeneous; the consumption pattern of milk like quantum of purchase, mode of purchase, source of purchase, and brand preference etc. is continually varying. They suggested to dairy companies to spend lot of effort on advertising and other promotional activities. Further suggested to strengthen their supply chain and other logistics and use intermediaries to promote and make their products available to the end consumer. They found freshness, quality, taste, variety and convenience as strong factors that consumers are looking for while purchasing dairy products. They found socio-economic profile of the consumers such as income status, occupational position, educational level, age and region as major determinants of the consumption patterns of milk.

**Nahiyd and Mohamed (2013)** aimed at studying the preferences of consumption pattern of milk and factors affecting consumers’ purchase decision of dairy products in Khartoum, state capital of Sudan. Milk and Dairy products experience high consumption rates in Sudan. Consumers show wide variations in their preferences for different milk types and dairy products available in the local market. Consumer purchase decisions are influenced by various factors. Study of
such factors assists processors and producers of dairy products in implementing marketing strategies that are consumer oriented and can ultimately lead to higher selling rates. Quality was found to be the main factor affecting the purchase decision, followed by price of the products. Fresh milk was the highly preferred milk type among the citizens. The studies concluded with recommendations are: processors and producers of dairy products should implement modern marketing concepts that focus on the consumers’ needs and wants. Also, producers and processors should use marketing mix in ways that increases their sales and creates satisfied customers.

2.4 LITERATURE ON CONSUMER BUYING PREFERENCES

The individual consumer has a set of preferences and values whose determinations are outside the realm of economics. Consumer preferences are defined as subjective (individual) tastes. The present section reviews various studies that investigated on consumer buying preferences with respect to dairy and other relevant products.

Rees (1992) investigated the factors influencing the consumer’s choice of food and found as flavour, texture, appearance, advertising, a reduction in traditional cooking, fragmentation of family means and an increase in ‘snacking’ etc. Demographic and household role changes and the introduction of microwave ovens had produced changes in eating habits. Vigorous sale of chilled and other prepared foods was related to the large numbers of working wives and single people, who require value convenience. Development in retailing with concentration of 80 per cent of food sales in supermarkets was also considered to be important. Consumers were responding to messages about safety and healthy eating. They were concerned about the way in which food was produced and want safe, ‘natural’, high quality food at an appropriate price.
Singh et al. (1995)\textsuperscript{10} examined the factors influencing consumer preferences for milk. They were milk quality, convenient, availability, and supply in quantity desired, flavour, colour, freshness and mode of payment which showed higher levels of consumer satisfaction. The results revealed that majority of the consumers were seeking the information from television regarding the products availability and this was followed by neighbours’ and newspapers. Consumers preferred retail market for the purchase of groceries, milk and milk products, vegetables, fruits and snacks and they adopted cash payment. Majority of the consumers preferred quality for the purchase of food and milk.

Wim Verbeke and Jacques Viaene (1998)\textsuperscript{11} studied the Consumer behaviour towards yoghurt in Belgium and Poland: a survey in two regions. The conclusions of the present study are two-fold. First, major differences in consumer behaviour with regard to yoghurt consumption in Belgium and Poland are revealed. They found clear evidence that the significant differences in consumption frequency, product attribute perception, attitude and preference result from dissimilarities in the economic, demographic, social and cultural environment of both consumer groups. Second, the study shows significant differences in the process of gathering information concerning cross national or cross-regional consumer behaviour.

Sharma (2000)\textsuperscript{12} conducted an opinion survey in Andhra Pradesh regarding the consumer perception and attitude towards the different sources of milk purchase. It revealed that a majority of the families purchase milk from private vendors due to non-availability of Dairy milk within the reasonable distance from the consumer’s residence. Several households reported that the housewives are unable to collect the milk in person from the milk booths as it involves time and energy and they are forced to employ servants for collection of milk from the
booths, which involves additional cost and delay. Further, they also expressed dissatisfaction with the milk supply from the booths and suggested home delivery. Nearly, 60 percent of the families felt that the home delivery of milk in polythene sachets is advantageous and indicated willingness to pay additional costs/service charges for the same. Other reason found for household preference to private vendor was non-availability of milk in small packing of less than half litre with the Dairy as several small families and those belonging to lower income groups strongly felt that such facility is essential to enable them to purchase the Dairy milk. Results found strong correlation between income and proportion of home delivered milk.

Srinivasan (2000)\textsuperscript{13} revealed that, consumer with higher educational level was found to consume more processed products. The quantities of processed fruit and vegetable products were consumed more in high income group. The tolerance limit of price increase identified was less than 5 per cent, any price change above this limit, would result in discontinuance of the use of the processed product. Consumers preferred processed products because of convenience of ready-to-eat form.

Mathur (2001)\textsuperscript{14} observed that changing lifestyles, especially among the urban population, necessitates production of large quantities of prepared or ready to use food products containing dairy ingredients. With the increasing purchasing power of the urban middle class, value-added products occupy a key position in the dairy products range.

Rama Prasad (2004)\textsuperscript{15} the researcher investigated on ‘Consumer Preferences in Dairy Industry with Special reference to Vishakhapatnam District’. The study has been organized on a sample of 300 households of families and 100 agents. The study found that Quality plays an
important role in influencing the preferences of consumers regarding selection of a brand. It was found in the study majority of the consumers are buying milk at agent’s milk booth. The researcher examines in this study most consumers buying decisions are influenced by the preferences they have about the product. The milk product image is formed out of the knowledge the consumers have about the products such as price, quality, availability, accessibility, etc. So the manufacturers have to produce the product with all the above requirements.

Ramasamy et al. (2005) studied consumer behaviour towards instant food products in Madurai, the second largest city in Tamil Nadu. A large number of respondents (78%) laid emphasis on quality and 76per cent on price which was an important factor, while 64per cent of the respondents attached importance to the image of the manufacturer and 50per cent considered packaging as an important factor and an equal percentage (50%) felt longer shelf life influenced them.

Fuller et al. (2007) analysed demographics, cultural factors, and purchasing behaviors that influence the consumption of fresh milk, yogurt, ice cream, and powered milk in Beijing, Shanghai, and Guangzhou, China. A random sample of 314 households was selected covering all the selected cities for a questionnaire survey. Results showed that income and marketing channels are the key determinants of milk consumption levels; however, education, advertising and convenience played a more important role in consumption of other dairy products. They argued that greater availability and improved quality of domestic dairy products may have a greater impact on the frequency and quantity of purchases. They opined that milk powder, as a consumer good, may become an inferior product in urban China. Finally, the
survey data suggested that the growing sophistication of China’s retail sector is influencing consumption of dairy products.

Senthikumar et al. (2007)\textsuperscript{18} observed that the upsurge in milk production has thrown up unprecedented challenges in milk & milk products’ marketing. Changes in demographic pattern, education, income structure, lifestyle, changing aspirations, cultural orientation, increasing awareness about nutritive value, changes in consumer behaviour, introduction of new technologies, new expectations of consumers and other such factors influence the demand for milk & milk products. In India, inequalities exist within the expenditure pattern of milk and milk products across various regions and also among different incomes and occupational groups.

Grebitus et al. (2007)\textsuperscript{19} analyzed the impact of quality characteristics and socio-demographics on consumption patterns regarding whole fat milk, skim milk and organic milk. A random sample of 260 households in Germany was surveyed using structured questionnaire. The study considered (i) product attributes such as safety, nutrition, sensory, functional and image, (ii) process attributes and (iii) environment attributes as subsets of quality attributes. The study found product, process and environment attributes influence the milk consumption patterns. Among significant socio-demographics, education has a significant negative effect on all levels for organic milk consumption. A low education decreases the probability of skim milk consumption. Older consumers tend to consume less skim milk as well. There are no significant effects to state for whole fat milk consumption. They found a significant positive effect of the quality cue ‘brand’. The significance for brand is even higher for organic milk than for conventional milk. This leads us to conclude that the brand is the cue used by consumers for recognizing the organically produced milk. This
shows furthermore that a strong brand could be one method for influencing consumers’ purchase decisions even for fresh almost unprocessed food. The results show health conscious consumers chose to buy skim milk. There are different types of fresh milk, e.g. skim milk and non-fat milk available. However, there are fewer varieties for organic milk. Thus, there may be opportunities for product line extensions.

The results of the cluster analysis show that younger consumers are health conscious and this fact could be used for advertisement regarding skim milk and non-fat milk. The older consumers in cluster 2 could be reached by promotional activities in form of leaflets and additional brochures as they are information seekers. The elderly from cluster 3 are concerned with the milks shelf life. Thus, product line extensions such as fresh milk with extended shelf life are the first step to reach this group. Some producers have already been supplying such milks. As this cluster is aware of brands, focus on brand display might be a possibility for grocery store promotions.

Bytyqi & Vegara (2008) examined the consumer behaviour in Kosovo with respect to dairy products (cheese, yoghurt and curd) using different socio-economic variables assessed by so-called evaluation criteria 1-5. The objective of study was to possibly identify effect of different variables on consumer decision upon purchase of dairy products. Interviews of 304 respondents were conducted in supermarkets and mini markets. Dairy products were perceived differently at various types of purchasing places. The most important socio-economic variables explaining individual differences in consumer behaviours regarding purchase of dairy products involved were: trust, gender of consumer, quality, origin, and price of product.
Managi et al. (2008)\textsuperscript{21} this research carried out in which choice models are used to explore consumer preferences towards organic milk in Japan. They consider the use of organic feed, the restrictions on the use of animal medicinal products, and livestock low-stress feeding as attributes of organic milk, which are considered the tangible expression of the consumer’s latent demand for safeness and healthiness. The results suggest first that in the Japanese organic milk market safety, taste and environment friendliness are important factors influencing consumers purchasing decisions. Secondly, for consumers who perceive organic milk as safe, the attributes of organic feed and restrictions on the use of animal medical products increase the probability of purchase.

Hacer and Melike (2010)\textsuperscript{22} examined the effect of socio-economic differences of rural and urban consumers on the consumption of milk, yoghurt, and cheese. Face-to-face interviews are conducted with 191 households in the city of Van (Eastern Turkey). Results of the evaluations show that there are socio-economical differences between urban and rural populations in terms of age, education, occupation, and income, which affect their consumption behaviour. The rural consumers generally have low income and literacy consumes raw (unpasteurized, unpackaged) milk. The urban consumers, on the other hand, consume pasteurized milk and have higher incomes compared with the rural consumers and have a mid-level to university education. In the rural areas, consumers usually make their own yoghurt but those who purchase their yoghurt pay attention to its packaging the most. In the rural areas, consumers who make their own cheese have mid-level income and primary school education.

Boniface and Wendy (2012)\textsuperscript{23} investigated the factors influencing Malaysian consumers’ consumption and perceptions of various types of dairy products such as fluid milk, powdered milk, ice
cream, butter, cheese and yogurt. The study considered four dimensions in perceptions about dairy products such as hedonic (sensory attributes such as taste or smell), health-related, convenience-related, and process-related. A survey of 435 respondents was conducted and the data were analysed using structured questionnaire. The results indicated that demographic variables such as age and ethnicity as well as other attitudinal variables significantly influence consumers’ increasing consumption of dairy products. Further found retail stores were the main destination to buy dairy products which were influenced by cleanliness, convenient location and availability of higher quality products.

Topcu and Uzundumlu (2012)\textsuperscript{24} aimed their study to determine the main factors affecting the consumers’ perception and preferences of ice cream, and to analyse the consumers’ purchase attitude and behaviours towards ice creams. The data used in this study were obtained from a survey conducted in Kahramanmaras central district consisting of 400 households with about 6 family members in Turkey. The results of the study showed that the nutritional quality and information, brand prestige, sensorial quality attributes, trust to manufacturer, ice cream mixture attributes, local brand satisfaction and social statute had the major effects on the preference and acceptance of the product. And also the share of the ice cream expenditure within total food, monthly income, age, education, family size, and occupation of the consumers played the important roles on the amounts of their consumption, respectively.

Ming and Kyle (2012)\textsuperscript{25} studied the determinants of consumption choice between organic and conventional alternatives for two staple foods: milk and eggs. They included price, consumer shopping behavior, demographic characteristics and store format choice to reflect variation in consumption choice among households patronizing different store
formats. Using A.C. Nielsen Homescan data, they examined three store formats such as value-oriented, supermarkets and high-end retail stores. The study found a rapidly growing demand for milk and eggs with a trend of organic market transition from high-end specialty stores to general store formats, especially value-oriented stores. They observed considerable price sensitivity to organics in the value-oriented formats and a close connection between store format choice and consumption choice of organics. Further found income level, families with preschool children have positive impacts on choosing organic milk and eggs, and mixed results from other demographic factors. Finally the study found store format choices, prices, as well as quality perception are important to consumer’s choice between organic and conventional food products.

2.5 LITERATURE ON ROLE OF PEER & FAMILY MEMBERS

Many marketers recognised the role of peer groups and family members as most important aspect in explaining the consumer behaviour process. This is because of the influence of these groups on individuals’ perception, attitude and personality, which in turn influences an individual’s decision making. This section mainly reviews the studies that focused on the role of peer and family members in consumer behaviour. Even though, the influence of peer and family members is an important aspect in the purchasing decisions, the studies that enlightened on this issue remain scarce.

Hampel (1995)26 in his study ‘Terms and effects of family role structure in house purchasing decision’, a sample of 206 households was selected and both husbands and wives were interviewed. The findings of the study revealed that the role structure in family house buying decisions was affected by household characteristics. There was variation in the relative importance of determinants across sex, culture, and role structure.
Raju (1996) studied the consumer behaviour with reference to dairy products in India. Data was collected by using a questionnaire survey on 500 respondents from Madras City (Chennai). Respondents were classified into two kinds of segments such as income and age for the purpose of the study. The study investigated on the consumer motivation, purchasing preferences and peer influence in purchasing dairy product. Results found significant relationship between age and purchasing behaviour whereas mixed result with the income variable.

Babolian Hendijani and AbKarim (2010) studied the relationships between personal and environmental factors and beverage consumption preferences of primary school children in Malaysia. Consumption of milk relative to other beverages such as mineral water, Milo and fruit juice among children was relatively low; children preferred flavoured milk to plain milk. Individual positive attitudes about the sensory aspects of milk, social acceptability (e.g. having family and friends who regularly consumed milk), availability of milk at home and packaging were more likely to positively influence milk consumption among children than exposure to advertising or awareness of the health benefits. The study suggest that the most efficient way to increase milk intake of children is to focus on increasing the social acceptability of milk through marketing campaigns to increase consumers perceptions of the sensory aspects of milk.

2.6 LITERATURE ON MARKETING PRACTICES

Marketing practices is an imperative concept in modern marketing and academically it is referred to as the set of controllable tools that the firm blends to produce the response it wants in the target market, so it consists of everything the firm can do to influence the demand for its product (Kotler and Armstrong, 2004). However, the marketing practices or simply marketing mix elements "should not be
seen as individual entities, but as a set of interrelated entities which have to be set in conjunction with one another" (Proctor, 2000). The present section makes a review of existing literature on consumer perception towards marketing elements or marketing practices in dairy industry.

Natalie (1999) examined the influence of marketing mix influence on consumer buying behaviour with respect to selected dairy companies in Port Elizabeth, South Africa. Personal interviews were conducted in different super markets to investigate perceptions of milk, the brand purchased and how consumers use milk. The study indicated that people purchasing milk were very price conscious. Respondents almost showed no brand loyalty. However, respondents indicated that they were aware of the health benefits of drinking milk, although most used milk predominantly to whiten their tea and/or coffee. Findings reflect the unhealthy perception people have about milk. Many regard it as a child’s drink and others perceive it as fattening. Decreasing consumption figures indicate that there has been little effort or success from the dairy industry to change consumer perceptions of milk.

Gokhale (2005) in his research stated that time had come for the Indian dairy fraternity to recognize that new and better ways of marketing and delivering good milk are available, and the consumers are ready. Consumers are consequently looking for more ‘for me’ products, more information on packages, better, sturdier, and convenient packages, more choices in container size & so on. The same trend holds true for flavoured milk, which is experiencing strong growth. Emergence of more brands and more flavours offer consumers greater variety. The opportunities for dairy players are clearly in adding value to white milk & other milk. This will surely to adding millions of value added consumers.
Narang (2006) opined that, a buyer does not stick to one brand in case of food purchasing. They should be able recall different brand names when they go for purchase. Repetitive advertising can be used to promote brand recall. The product should be associated with style and trend, so that it appeals to the youth and the brand name should be developed as a fashion statement. Promotional schemes such as discounts and free offers with purchase were suggested to increase rates.

Prasad (2006) found in his study that 91.33% of the consumers knew the availability of more than one variety of milk available in the market. He also established that a large majority of respondents said that it is the quality that influences the choice of the brand, whereas a meagre respondent are expressed the view that it is the factor of easy availability that is responsible for the preference of a brand. He found that a majority of the respondents were satisfied with the present brand they were using and only few respondents are thought otherwise. He further suggested that prompt and regular supply, providing value by way of service rendered by agents and avoidance of adulteration are factors that will count in the success or failure of the milk producers.

Anandan et al. (2007) studied that, majority of the respondents will buy another brand if preferred brand is not available, few per cent of the respondents will go to the nearby town for buying the preferred brand. Fifteen per cent of the respondents will postpone their purchase decision. It was revealed from the study that customer’s cannot postpone the decision of buying the detergents, as it was one of the essential commodities.

Chimboza and Edward (2007) attempted to asses and measure the determinants of Brand preference in a diary product market in Chitungwiza and Harare urban markets in Zimbabwe. A total of 90
respondents who included individual and institutional consumers were selected using judgmental and simple random sampling respectively. Primary data was collected using structured interview schedules developed for each category of consumers. Consumer product awareness indices, cluster analysis and factor analysis were the main tools used in the analysis. The findings of the study showed that 52% of the respondent consumers were aware of dairy brands because of advertisements. Four factors were identified as key determinants of dairy product choice namely promotion, price and availability of product, attractive packaging and product quality.

Rangasamy and Dhaka (2008)\textsuperscript{35} analysed the marketing of milk and milk products by dairy plants of co-operative and private sectors in Tamil Nadu and compared. The study is based on the data collected for toned milk, standardized milk, full cream milk, flavoured milk, butter and ghee from the selected co-operative and private dairy plants of the Coimbatore district. It has been found that the marketing cost for toned milk is the same in both the dairy plants, whereas it is higher for standardized milk, full cream milk and flavoured milk in the co-operative dairy plant. The marketing cost has been found less in the cooperative plant for products like butter and ghee. All the dairy products earn more marketing margins in the private sector than in co-operative dairy plant, except for toned milk. The marketing efficiency of cooperative dairy plant for all dairy products has been observed relatively less than that of private dairy plant, except for toned milk. The study has suggested the development of co-operative dairy industry in a sustainable manner, and the co-operative dairy plants should formulate long-term vision and strategy. The study has observed that value addition in dairy products should be done without compromising the quality and consumer-oriented market research and development should be accorded greater attention.
Kumar and Gogoi (2011)\textsuperscript{36} examined the Consumers’ Buying behaviour and Brand Loyalty with regard to processed liquid packed milk in Guwahati, Assam. A total of 180 customers from six selected zone of Guwahati were personally interviewed using pre-tested schedule containing relevant questions. For the collection of data, the researchers mostly relied on those outlets which are selling all or most of the brands of milk. The study of the overall objective poses the clear picture regarding consumers’ awareness and buying behaviour regarding liquid processed milk of difference brand. The Consumer in Guwahati was well aware regarding the use of their milk brands among the available alternatives. Finally they concluded that the success of any marketing strategy lies in the post – purchase experience associated with the products / services.

Tagioni et al. (2011)\textsuperscript{37} examined the influence of Brand Equity on milk choice based on an experiment survey in Italy. They used two focus groups to collect qualitative data by using some projective techniques such as free associations, brand mapping and sentence completion. Every focus group lasted around 100 minutes. Qualitative analysis identified the attributes and levels necessary to build the choice experiment for the quantitative survey. The following were considered: fat content (levels: whole, semi-skimmed, skimmed) origin (levels: Italian, regional, not mentioned), point of sale (supermarket, hypermarket, discount, grocery store) and, concerning the fresh milk, the differentiation among nutrient intake (High Quality and standard fresh milk). A representative territorial spread quota sampling was applied to six different areas, and the data were gathered by means of a questionnaire-based survey administered to local consumers of milk, who were interviewed at supermarkets and hypermarkets. The survey gathered data on milk consumption and purchase (purchase frequency, type of milk and packaging, place of purchase, brand of milk consumed,
This study estimated the preference weights that local consumers assign to some milk attributes including local origin and the influence on choice of a local brand of milk, which is traded by a local cooperative of producers in Umbria (Italy).

Venkateswaran et al. (2011)\textsuperscript{38} in their research article ‘‘A Study on Customers’ Brand Preference of Selective Household Brands at Dindigul, Tamil Nadu’ stated that consumers prefer a particular brand based on what benefits that brand can offer to them. They observed that in forming the tendency of customer to prefer a particular brand, the marketing variables like advertising, quality of the product, brand name and brand image plays an essential role.

Wayne and Mari (2011)\textsuperscript{39} investigated the effect of pricing, brand and packaging on choice preference of pasteurized milk by consumers. The research utilized a mixed methodology design approach by using simulation and electronic presentation of questionnaire. Opinions of 103 respondents, exposed to an in-store simulation, were obtained to gain a better understanding of consumer behaviour towards brand and packaging design and how these elements affected purchasing decisions. The study considered both aesthetic design elements such as shape (form), colour, illustration (lines, symbols, graphics, patterns and pictures), logo and brand, typography(company name, product name), informational elements (brand name, address, product facts and usage, ingredients and volume) and functional design elements such as protection, transportation, opening and resealing functions, material design and volume design of packaging. Results revealed that price sensitivity plays a prerequisite role in the consumer purchase decision and that, while most respondents were willing to pay a price premium for brand and packaging design elements, limited income is a clear inhibitor. Brand awareness and trust also play an important role in
quality perceptions, followed by image (created through visual stimuli) in choice preferences.

**Manafzadeh et al. (2012)** studied the relationship between marketing mix and consumer behaviour in dairy products in Iran. A Statistical sample of 385 consumers of dairy products in Refah chain Shop (Iran) was taken for a questionnaire survey. The study made hypotheses to test the relationship between availability, mode of packaging, advertising and price and consumer behaviour in purchasing dairy products. The study found no significant relationship between consumer education and availability, whereas found significant relationship between packaging and consumer behaviour according to variable of gender and age. Further, the study found price as an important factor in explaining the consumer behaviour in dairy products.

**Yayar (2012)** investigated on packed and unpacked fluid milk consumption and preferences among Turkish households using the data from a consumer survey and based on socio economical demographic characteristics of consumers that determine households’ fluid milk consumption choices among packed, unpacked and both packed-unpacked milk consumption choices. A Stratified random sample of 347 households was surveyed using face to face questionnaire that consist of questions related to the choice of purchasing fluid milk alternatives and the socioeconomic information. Empirical results indicate that better educated household heads, higher income and larger households, and households with children under seven years of age consumed more packed milk than others. A similar result was found for unpacked milk consumption, except for a negative effect of education, working wife and income.
2.7 OTHER SIGNIFICANT STUDIES

Klaus et al. (2000)\(^\text{42}\) in their study argues that consumer quality perception of dairy product is characterized by four major dimensions: hedonic, health-related, convenience-related and process-related quality. Two of these viz., health and process related quality, are credence dimensions, i.e. a matter of consumer trust in communication provided. Drawing on five different empirical studies on consumer quality perception of dairy products, three issues related to the communication on credence quality dimensions are discussed: Providing credible information, the role of consumer attitudes, and inference processes in quality perception. Organic products, functional products and products involving genetic modification are used as examples.

Jeyachandra Reddy et al. (2004)\(^\text{43}\) studied and analysed the economics of milk production in three areas, viz., Chittoor district in Andhra Pradesh, Erode District in Tamil Nadu and Kolar district in Karnataka involving aspects related to existing cost structure of milk production, profitability of crossbred dairy cows in the three states under the changed socioeconomic political scenario and also suggest methods to improve the viability and profitability of these enterprises. The data were collected by survey method during the year 2003. Seventy five farmers were selected at each location giving due importance in the selection of all categories of households. The number of dairy cows studied was 108 in Chittoor, 178 in Erode and 84 in Kolar districts. The net cost of maintenance of a crossbred cow per day worked out to Rs.38.99, Rs.49.36 and Rs.48.88 in Andhra Pradesh, Tamil Nadu and Karnataka respectively. The cost per litre of milk worked out to Rs.5.48, Rs.7.20 and Rs.5.84 in the same order. Feed cost was the major component in gross cost which accounted for 63.88 per cent in Andhra Pradesh, 72.14 per cent in Tamil Nadu and 71.62 per cent in Karnataka.
The net profitability varied from 43 per cent in Tamil Nadu, 70 percent in Andhra Pradesh and 83 percent in Karnataka. The variations among the three studied locations are due to variation in breed, feeding pattern, maintenance of animals, etc. The study has further brought out the fact that higher fat content provides higher price as milk is priced based on fat and solid-Net-Fat (SNF) content by dairies. Hence proper scientific breeding procedure is to be followed to improve fat content in the milk as well as milk production per animal. Besides, scientific breeding, feeding, treatment and veterinary care and management would not only increase milk production and fact content in addition to reduction in cost, but also incomes of farmers. Thus dairy farming is considered an instrument for socio economic change in rural areas.

Rajendran and Mohanty (2004) explained that the operation Flood and dairy co-operatives emerged in India as the largest rural employment scheme, enabling the modernization of the dairy sector to a level from where it can take off to meet not only the country's demand for milk and milk products but can also exploit global market opportunities. This study reviews the existing status of milk marketing and dairy co-operatives in India and provides recommendations to meet future challenges. The results of the study indicate 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.
Srikanth Reddy and Vasudev (2006)\textsuperscript{45} studied and an attempt has been made to quantify the level of consumption, production, and marketed surplus of milk in Karimnagar district of Andhra Pradesh. Better feeding followed by congenial weather conditions during the winter has positive effect on milk production. It was also interesting to note that in relative terms marketed surplus was more in summer (ranging from 58.5 percent to 60 percent) compared to that in rainy season (50 percent to 56 percent). On an average marketed surplus during the year ranged between 55 percent in the case of small farmers to 57.2 percent in the case of medium farmers. But in all the categories of farmers the consumption of milk was above recommended level i.e., 250 gm/day/person. With the disposal of marketed surplus of milk through different agencies it was evident that the co-operatives and milk vendors emerge as major procurement agencies (more than 70 percent) in all categories of farmers. Majority of the small and medium farmers preferred milk vendors while large farmers preferred milk co-operatives to sell their surplus milk. The large family size, education level of family had influenced the consumption pattern of milk. These lead to consume more, resulting in shrinkage of marketed surplus.

Shiralashetti and Hugar (2007)\textsuperscript{46} in their study analyzes the consumer’s satisfaction in relation to pasteurized and unpasteurized milk in Gadag city, Karnataka, India. They also studied the production of milk and state-wise per capita availability in India and in the world; and the level of satisfaction in terms of quality, price, taste and supply etc. Questionnaires were prepared and administered to 250 consumers of milk. The study reveals 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. Finally this study suggestions are offered to improve the satisfaction of consumers in Gadag city, there are to improve quality, taste and supply network; reduce price, Introducing new size milk pockets and Merger and Amalgamation of Pasteurized milk producers.

Zhou Lili and Chen Tong (2007)\textsuperscript{47} the consumers’ attitudes were collected by means of a face-to-face survey. Attitudes, purchasing frequency, supply satisfaction and beliefs about organic food were studied with a sample of 720 consumers. The education of consumers must become one of the first objectives for organic producers. An important task will be to increase consumers’ knowledge of what an organic product is and how to differentiate it in the marketplace. Educational activities such as organized presentations on organic production and food should be held at agriculture products fairs and open markets where the majority of the customers lack such knowledge. Consumers are not very familiar with the supply of organic products in the market. Hence, promotional activities on organic products are of great importance to Urumqi’s consumers. Visible displays in the selling place as well as promotion through media should be used more often. The research results showed that some groups of consumers have more positive attitudes toward organic food, and they exhibit an increased willingness to pay higher prices for these products. For that reason, marketing strategies for organic products should be targeted towards those segments of consumers.
India Post (2008)\(^{48}\) opined that the demand for value added milk products, such as cheese, dahi (Indian yoghurt) and probiotic drinks is increasing at a double-digit rate. At present, India seems to be self-sufficient in meeting its requirement for milk and milk products. However, given that demand is growing faster than supply, there could be serious issues with respect to self-sufficiency in the near future. Any increase in milk production is dependent on the farmgate price received by the producer. Farmgate prices have increased by more than 50 percent in the last three years. Focused efforts would be required on two fronts increasing farm size (currently the average number of animals per producer is three to four), and increasing productivity of milk producing animals. Global milk production, approx. 655 million tonnes in 2006/07, is estimated to be growing at 1.6 percent per annum. India ranks second in terms of milk production and accounts for 15 per cent of global production. Annual milk production in India was at 100.9 million tonnes in 2006-07 and was growing at 4 percent per annum. The market for liquid milk, as well as value-added dairy products, is still largely dominated by the unorganized sector. India has an insignificant share of the global dairy trade, less than 1 per cent, despite being a leading producer of milk.

Mathur (2008)\(^{49}\) in his article “Prospects for Product Diversification for the Dairy Industry in India”, has analyzed that the consumers are demanding dairy foods with more nutrition without sacrificing taste and enjoyment. With new product development dairy has assumed special significance and demands concerted efforts of chemists, technologist and nutritionist. For orchestrating, further growth of Dairy Industry in the liberalized global economies, strategic planning is needed for product diversification at competitive prices for the domestic and export markets. India has to confront important challenges that envisage clean milk production, adoption of cost effectivenes,
energy efficiency eco-friendly technologies for milk production and processing, development of eco-friendly/cost effective packing systems, good manufacturing practices to meet international norms, food safety, government legislation, effective management of resources and energy, proper disposal of industrial wastes and customer services.

Munusamy and Hoo (2008) investigated the relationship between marketing mix strategy and consumer motives at major stores in Malaysia. A quantitative approach was used on the private labelled fast moving consumer products. A convenience sample of 120 respondents was surveyed using a structured questionnaire. A simple regression analysis was conducted to test the relationship between the 4P’s and consumer motives. The study found that only the pricing strategy has a positive impact on consumer motives, while the promotion strategy has a significant negative impact on consumer motives. The product and place strategies do not influence consumer motives. These findings suggest that consumers do not look for product characteristics and store location when buying private labeled fast-moving consumer products.

Vaswani (2008) in his article “Promoting Value Added Traditional Dairy Products – Alternative Business Models”, has found that there is immense scope for the Indian dairy industry to develop the market for indigenous dairy-based sweetmeats by offering a range of value added products that address evolving nutritional and lifestyle needs of customers. However, traditional dairy product market is difficult to service because of highly diversified portfolio of products and their variants, regional tastes and preferences, immature technologies, and uneven pattern of demand and consumption. Near absence of regulatory regime on the ground leading to unfair competition, also acts as a deterrent for the entry of organized sector into this segment. However, emerging trends relating to consumer
purchases in food and beverages with focus on nutritious and quality products offer new opportunities to manufacturers. Further, analysis of each business model reveals business opportunities which exist for market development of traditional dairy product segment. Understanding which drivers fit which business model is crucial for successful and systematic implementation of a process. These drivers will allow the dairy industry to leverage off their market power and sustain growth of dairy industry in India.

Kriti Bardhan Gupta (2009)\textsuperscript{52} has study on Consumer Behaviour for Food Products in India. Primary data was collected from 326 respondents in Uttar Pradesh. The relative importance of various food purchasing criteria was estimated for four different food categories, food and vegetables; milk and milk products; food grains and pulses; and processed foods on 1-5 scale, The study explored the consumer behaviour for food products in India from different perspectives. People accepted the fact that their food habits get affected with the shifting to a new region but many basic buying and consumption behaviour do not change. Some of the changes in buying and consumption behaviour of relocated people, which were observed after their settlement to a new region, were not significantly different from the level of changes in behaviour of non-moving people. However, compared to the last 10 years, people have started preferring more healthy foods and are willing to try out new dishes. They tend to learn cooking and eating new food items after relocation without discontinuing their traditional food items. There is also influence of children on the type of food items that they eat.

Babu and Verma (2010)\textsuperscript{53} has analysed the value chains of milk and milk products in the co-operative and private dairy plants in the Salem district of Tamil Nadu based on the data collected from one co-operative plant, one private plant, five milk transportation routes, ten co-operative societies, ten private milk collection centres and six chilling
centre’s for the year 2007-08. The overall average procurement cost per litre of milk has been found higher for the co-operative dairy plant than the private plant due to increased cost on milk transportation, chilling and reception. The co-operative plant has been revealed more efficient in the manufacture of toned milk, standardized milk, full cream milk and ghee whereas the private plant has an edge over co-operative dairy plant in the manufacture of butter and SMP (skimmed milk powder). The marketing cost of toned milk, standardized milk, full cream milk and SMP has been found lower for private dairy plant and of butter and ghee for the co-operative dairy plant. The products which could earn a higher value after passing through the value chain are milk peda, khoa and SMP in the co-operative plant; and ice-cream, Mysorepa and ghee in the private plant. The marketing margins and marketing efficiency have been found higher in toned milk, standardized milk and butter for the private plant and in full cream milk, ghee and SMP for the co-operative plant. The study has revealed that dairy industry in India has gone through a sea of change, transforming itself from import-dependent industry to a self-reliant industry. The success of dairy industry revolves around a triangle, viz. procurement, processing and marketing of dairy products. Production is the base on which the edifice of dairy industry stands. Procurement, processing and marketing are the other aspects that need to be strengthened for the healthier growth of the dairy industry to serve the consumers so that economic multiplier effects of dairying are realized.

**Thampoe, Gnanaseelan, and Morais (2010)**\(^{54}\) conducted a study to map the potentials and challenges of dairy market in Vavuniya district, Sri Lanka. Questionnaire survey, interviews and focus group discussion were used to collect primary data from a cross section of dairy consumers, producer groups, institutional representatives and key informants. The research team obtained response from 265 households in four divisions. This study found considerable demand for fresh milk.
Lack of availability, accessibility, quality of local fresh milk, and locally processed milk based products have made the consumers resort to seeking more imported powdered milk and milk based products. The study also found that there is considerable willingness to buy or switch to local products when these constraints are addressed.

Abdullah (2011) conducted a study to the customer perception on the company’s marketing mix effort of Chhatak Cement Company (Government) and Shah Cement Industries Ltd. (Private) in Bangladesh. The study used structured questionnaire method to collect responses from a sample size of 200 respondents consisting of end users, contractors, retailers and wholesaler. By integrating primary and secondary data, the study identified that, product quality, product availability, product weight, packaging, repackaging, reasonable price, transportation facilities, promotional activities, credit facilities, technical facilities, delivery in time are the significant competitive factors in the market. Customer’s perception on the company’s marketing mix efforts shows that for all of the factors are favorable to Shah Cement Industries Ltd. than Chhatak Cement Company.

### 2.8 RESEARCH GAPS

From the extensive review of literature in the Dairy industry, the following gaps were identified:

1. There are plenty of research studies on characteristics of milk producers, cost and productivity in the milk production, milk procurement, cooperative societies and distribution of milk, constraints in milk production and marketing. There is a dearth of research studies in the area of consumer behaviour with reference to dairy products.
2. The studies conducted in the area of consumer behaviour in dairy industry have considered only one product, which raises a need to make a study on multiple dairy products.

3. The researchers considered only urban areas (cities) for their studies (Bonifice & Wendy, 2012). Expanding the study to include both urban and Semi-urban may present a more representative overview of the factors influencing the consumer behaviour in purchasing dairy products.

4. The important factors that influence consumer behaviour such as role of peer groups, family members have remained unexplored. Very few studies have partially contributed to this issue especially in purchasing dairy products.

5. There is a dearth of research and documentation regarding the dairy sector in Andhra Pradesh, especially Chittoor district. No serious effort has been made to understand dynamics of this important sector. Its importance could be judged from the fact that in terms of market value, its contribution to Gross Domestic Product (GDP) surpasses all the major crops in Andhra Pradesh.

The gaps identified has opened a new arena to conduct a research on consumption patterns, purchasing preferences, motivating factors, and other influencing factors in dairy market, from the consumer perspective in Chittoor district of Andhra Pradesh.
References


106


