

CONSUMER PERCEPTION TOWARDS USE OF BRANDED DAIRY PRODUCTS IN PATIALA AND JALANDHAR

***Divya ** Dr. Navleen Kaur**

** Research Scholar School of Commerce and Management, Sri Guru Granth Sahib World University, Fatehgarh Sahib. Email Id: divyaattri72@gmail.com*

*** Assistant Professor, School of Commerce and Management, Sri Guru Granth Sahib World University, Fatehgarh Sahib. Email Id: navleen10@yahoo.co.in*

ABSTRACT

The purpose of this study was to understand the consumer perception towards branded dairy products and its factors viz product quality, brand image, product knowledge and product attributes. A probability sampling technique, convenience sampling method has been used. The factor analysis, reliability analysis and one –way ANOVA was used to test the hypothesis. The results showed that the four factors of consumers' perception were important. The findings of the study indicated that there is no significant relationship between annual income, product quality, product knowledge and product attributes. There is a significant relationship between annual income and brand image. The study suggested that the branded dairy companies should adopt practices to attract people, and provide them knowledge, so that they are willing to buy branded dairy products.

Keywords: Consumer Perception, Branded Dairy Products

INTRODUCTION

The milk products have a very important role in the life of human beings. Specifically, the milk & milk products are very essential for children, young people, sportsperson etc. It keeps the body healthy and creates immunity power in body against the diseases. The main dairy products are milk, cheese, paneer, curd, lassi, flavoured milk, powder milk, ice cream, and other milk products, etc. The Indian proverb “Health is Wealth” indicates the importance of milk & milk products. A prudent man always gives preference to his health. If a human being has a good health then he/she can serve himself/ herself and her nation in every aspect as is old saying “Sound body has a sound mind”. India's approximately 60

percent of population resides in rural areas/ villages & semi- rural areas and do agricultural & allied activities for livelihood, and agriculture is the base of Indian economy. India is 'The Oyster' of the global dairy industry, provide opportunities to entrepreneurs worldwide, who wish to take advantage of this fastest growing market for milk and milk products.

The milk yield per animal was very low. The main cause for the low yield was- lack of scientific practices in milching, inadequate availability of fodder in all seasons and unavailability of veterinary health services. The operation flood programme was launched in 1970 to develop India's dairy industry and made a powerful chain for procurement and processing of milk and its distribution by the co-operative sector. The objective of Operation Flood programme was to organize dairy cooperatives in the milk shed areas of the village, and to link them to the Metro cities.

The engagement by National Dairy Development Board was not only to promote production, but also improvement in processing methods and development of a strong marketing network, It led to the development of dairy as an important source of employment and income generation in the rural areas. As per FAO statistics 2015 report, the total milk production was 155.49 MT in India. The Indian milk production increased to 165.4 million tonnes in 2016-17. The consumer perception is how consumers perceive service, selection of products, prices, location and cleanliness, customers' satisfaction for their buying etc. There are three areas of consumer perception theory- self perception, price perception, and benefit perception.

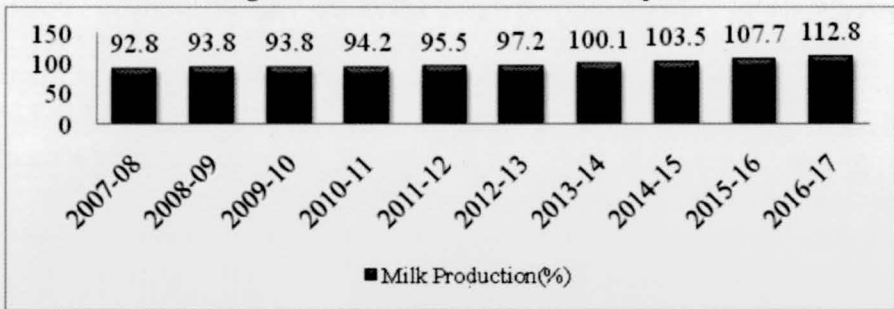
Consumers continuously analyse all the information they have about a company to form a decision about whether that company offers value or not. The more information consumers have about a product, the more comfortable they are at buying it. Consumer risk perception is another factor; brand must try to encourage the buying behaviour of consumers, by offering best services. It is an effective technique to maintain the perception of buyer that the business cares about its customers interests. In return, consumers become loyal to the brand and prefer the desired brand for their buying decision in future.

India is one of the fastest growing economies in the world, therefore income level of the consumers is growing resulting into higher demand of milk products, and improved lifestyles. The milk is processed and marketed by 170 district milk Producers' Co-operative Unions and 22-state cooperative dairy federations in India. The milk production gives employment to more than 72 million dairy farmers. The milk production in 1999-00 was estimated at 78million MT as

compared to 74.5 million MT in the 1997-98, Indian milk production has been increasing by 4% p.a and accounts for more than 13% of the total world output and 57% of total Asia's production. India is among the top five (USA, Russia, Germany and France) milk producing nations in the world. The Indian dairy market is highly dominated by the unorganised sector, 80% market by local vendors, private milkmen and 20% market is under organised sector, which includes cooperatives, private companies. This study will show the consumer perception that how consumers tend to make buying decision of the branded dairy products and also reveal the aspects which play important role in the purchase intention of the customers.

Dairy is the one of the booming industry in Punjab. It is contributing to a great extent in GDP of Punjab whereas Punjab is known for agriculture & dairy products.

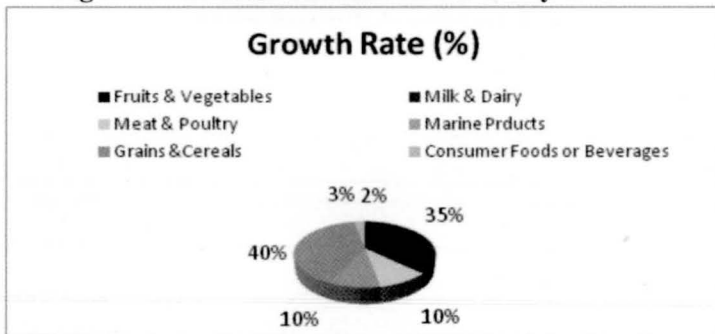
Figure 1. Milk Production of Punjab



Source: <https://www.nddb.coop/sites/default/files/MP-by-States-090318.pdf>

Figure 1 depicts that milk production of the Punjab State is increasing every year from 2007-08 to 2016-17 i.e 92.8 thousand tons to 112.8 thousand tons. According to the Indian Food Industry, growth rate of different sectors is given below:

Figure 2. Growth Rate of Milk & Dairy Products



Source: [indian-food-processing-sector2016](#)

According to Indian Dairy Market Report & Forecasts 2012–2017 by research agency IMARC, due to strong growth in both urban and rural demand, the market for milk products in India is expected to surpass Rs 981,586 crore by 2017. Most private players are concentrating on value-added product as margins are higher as compared to liquid milk. Key characteristics of Indian dairy sector is largely unorganized (2015) character and low productivity.

LITERATURE REVIEW

Tandon and Malhan (2017) studied the consumer perception towards soft drinks. The study found that consumers of less than 25 yrs of age consume soft drinks more. The factors price, availability, brand, packaging were considered important while purchase of soft drinks. The study concluded that companies should focus on good packaging to capture major part of the market.

Karthik et.al. (2016) in their study examined consumer perception towards organized and unorganised dairy products. The study found that large population of dairy products in India marketed through unorganised sector. The Chittor district was largely dominated by an unorganised sector because of regular supply, easy availability of desired quantity, monthly credit, and door delivery. The organised sector of dairy products was preferred by the consumers considering varieties of milk based on fat content, quality, and packaging. The study suggested that dairy companies in the district should make efforts to provide products available in the convenience stores and make door delivery service to tap the unorganised market. The value added dairy product should be produced without compromising the quality, freshness, hygiene and packed products to the consumer.

Ahila and Boopathi (2015) analyzed consumer perception on Aavin Milk in Pollachi, Tamilnadu. The study found that consumers change their behaviour frequently on the basis of new trend/ fashion and also affected by the price, quality, taste, and other attributes. The study also depicted that consumers buy the Aavin Milk for its quality and taste.

Khanna (2015) studied the problems faced by consumers in making dairy products like dahi at home. The study facilitates the marketing of dairy products and the difference in taste and perception of home-made and purchased dahi. The study revealed that perception of packed dahi and home-made dahi based on parameters like cost, health, consistency, convenience, storage, time. The study found that home-made products were less expensive. The packed dairy products were considered as good for health, freshness, consistent in taste than unpacked dairy products by the consumers.

Sumathi (2015) analysed the customer perception towards marketing of different brands of packaged milk at Coimbatore city, Tamil Nadu. The study found that respondents were more aware about Aavin milk brand. The respondents were highly satisfied with quantity, quality and availability of packaged milk. The study suggested that the marketing managers have to create high degree of awareness among the customers regarding milk companies and strengthen their supply chain & logistics to promote and make the product easily available to the end consumers.

Tariq et.al. (2013) studied consumer perception about branding and purchase intention of FMCG in an emerging market, Pakistan. The hypotheses were made to know the significant and positive relationship of variables of perception with purchase intentions. The brand image, product quality, product knowledge, product involvement, product attributes and brand loyalty had significant and positive relationship with purchase intention.

Talreja and Jain (2013) studied the changing consumer perceptions towards organized retailing from unorganised retailing. The study indicated that consumers like to buy fruits & vegetables from super-markets because of its quality products but they are also more concerned to prices also. The organized retailers have great importance because of the store image, product availability & discounts. The study also depicted that consumers preferred to buy some products from organized retailers and some from unorganised retailers.

Ingaval and Thaker (2012) studied consumer's preference for milk & milk products. The study revealed that the consumers preferred packed branded milk products over the time 1991 to 2006. The consumers purchase decision has changed because of availability, advertisement, product quality & price of products. The study also indicated grocery shops, bakers & sweet markets were preferred place of purchase of dairy products, some consumers preferred company outlets for their dairy products purchase.

Yayyar (2012) investigated packed and unpacked fluid milk consumption and preferences among Turkish households. The study found that consumers preferred more packed fluid milk. The household head's, education, with higher income, and households having children less than seven years of age consumed packed milk. The unpacked fluid milk consumption found comparatively less because of other factors except income and working class households. The study has some implications for milk producers & companies, because milk production & manufacturing firms are increasing rapidly. The researcher suggested that

Turkish companies design effective pricing & promotional strategies for fluid milk consumption.

Jones et.al. (2007) studied consumer perception of soya and dairy products of Newzealand and USA. The study describes that there were less cross cultural differences between US and Newzealand consumers for the products and health benefits of Soy and dairy products. The consumers gave more preference to dairy as compared to soy protein source products.

Hansen (2005) investigated consumer preference for milk & milk products. The study indicated that most consumers said price had positive effect on eating quality. The experimental eating quality positively affected respondent's pleasure feeling. The physical surroundings had positive effect on pleasure feeling. The result implies that food producers & retailers should understand consumer's quality perception.

Objective of the Study

- To examine the consumer perception towards branded dairy products with respect to product quality.
- To analyze the consumer perception towards branded dairy products with respect to product attributes.
- To study the consumer perception towards branded dairy products with respect to brand image.
- To examine the consumer perception towards branded dairy products with respect to product knowledge.

RESEARCH METHODOLOGY

An exploratory and empirical research design was selected as appropriate for this study. A probability sampling technique and convenience sampling method has been used for selecting the respondents from the 'Universe'. The study was conducted in Jalandhar and Patiala districts of Punjab. A total of 240 consumers were included for the study. This study was conducted during May-July 2018. The data was collected from both Primary as well Secondary sources. The primary data was collected through Structured Questionnaire/ Survey related to the study. The secondary data was collected from journals, magazines, website of Indian dairy industry, and other published data. The questionnaire was developed in the context of the study. The consumers' perception scale was developed from the statements given in the questionnaires to know the responses on the five point likert scale: 1-Extremely Unimportant, 2-Unimportant, 3-Can't say, 4-Important

and 5-Extremely Important. The collected data was analyzed with the help of SPSS, the Factor Analysis was conducted to identify the most important variables of consumer perception. The reliability analysis was used to know the reliability of consumer perception scale. The one-way ANOVA was used to examine the significant relationship between annual income and consumer perception variables.

DATA ANALYSIS AND RESULTS

Table 1. Principal Component Analysis Results

Factors and Items	Factor Loadings
KMO = .704	
Product Quality:	
The branded dairy products have better quality than unbranded dairy products.	.779
The branded dairy product is very reliable.	.833
The branded dairy products are produced hygienically.	.874
Product Attributes:	
I feel branded dairy products are healthy for me and my family.	.550
The branded dairy products are easily available from the retail stores.	.684
The freshness of dairy products is much important.	.770
Brand Image:	
I can immediately recognize symbol of my familiar branded dairy products.	.830
I am always updating my knowledge about the branded dairy products which I am using.	.781
Product Knowledge:	
The selection of branded dairy products is based on the percentage of fat content in the dairy product.	.777
The opinion of friends & family does not play any role in selecting branded dairy products.	.760

INTERPRETATION :

The result of Principal Component Analysis (PCA) is shown in the table 1, the Varimax rotation was used to determine the dimensionality of the variables considered. Factors with Eigen Values of above 1.00 were extracted and factors loading above 0.5 were retained. The analysis indicates four factors: Product Quality, Brand Image, Product knowledge, Product Attributes. All the four factors had factors loading within the acceptable range of higher than 0.50(0.550-0.874). The Product Quality factor consists of consumers' responses related to the variables influencing quality, reliability, and hygiene of

branded/organised dairy products. The Product Attributes composed of consumer's agreement with variables which describes the products freshness, availability, health etc of the dairy products. The Brand Image factor representing the relative importance that consumers placed for preferring branded/organised dairy products consists of consumer responses related to symbol of brand, knowledge about brand, etc. The Product Knowledge factor has variables like fat content, and brand name about the branded dairy products.

Table 2. Reliability Analysis

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.631	.673	10

The table 2 of reliability analysis describes the alpha coefficient for the 10 items as .631 which indicated that the items have relatively acceptable internal consistency.

Table 3. Descriptive Statistics

Annual Income	Frequency	Mean	Standard Deviation
1-5 Lacs	74	3.60	1.29
5-10 Lacs	45		
More than 10 Lacs	24		
Not Applicable	97		
Total	240		

Table 3 describes annual income frequency of consumers of Jalandhar and Patiala districts. The consumers who are doing jobs, business, professional works are considered for the study. The housewives and students are under not applicable category of annual income, but they are also taken for the study. The mean is 3.60 and standard deviation is 1.29 of descriptive statistics of annual income.

Hypotheses Testing using One-way ANOVA Analysis

Table 4. One-Way Analysis

ANOVA		
	F	Sig.
Product Quality	0.889	0.448
Product Attributes	0.569	0.636
Brand Image	3.349	0.021
Product Knowledge	0.644	0.588

H1: There is no significant relationship between annual income and product quality.

As per ANOVA analysis, the value of product quality is 0.448 which is greater than 0.05, therefore, there is a no significant relationship between income and product quality.

H2: There is no significant relationship between annual income and product attributes.

The above table shows (Product Attributes) the output of the ANOVA analysis and whether there is statistically significant relation. The significance value is 0.636 (i.e., $p = 0.636$), is greater than 0.05, therefore, there is a no significant relationship between annual income and product attributes.

H3: There is no significant relationship between annual income and brand image.

The above table shows (Brand Image) the output of the ANOVA analysis and whether there is a statistically significant relation. The significance value is 0.021 (i.e., $p = 0.021$), which is less than 0.05; therefore, there is a significant relationship between annual income and brand image.

H4: There is no significant relationship between annual income and product knowledge.

The above table shows (Product Knowledge) the output of the ANOVA analysis and whether there is statistically significant relation. The significance value is 0.588 (i.e., $p = 0.588$), which is greater than 0.05, therefore, there is a no significant relationship between annual income and product knowledge.

FINDINGS OF THE STUDY

- The factor analysis found four important factors : Product Quality, Product Attributes, Brand Image and Product Knowledge of Consumer Perception towards organised dairy products.
- The reliability analysis indicated that the alpha coefficient for the 10 items is .631 which shows relatively acceptable internal consistency of Consumer Perception scale.
- The annual income frequency of consumers of Jalandhar and Patiala districts is shown in the Table 3. The consumers under different categories are Employees, Businessmen, Professionals, Students and Housewives. The mean is 3.60 and standard deviation is 1.29 of descriptive statistics of annual income.

- The null hypothesis is accepted, It was found that there is a no significant relationship between annual income and product quality.
- For product attributes the significance value is 0.636 (i.e., $p = 0.636$), which is greater than 0.05, therefore, there is a no significant relationship between annual income and product attributes.
- For brand image the null hypothesis is rejected. There is a significant relationship between annual income and brand image.
- It was found that there is a no significant relationship between annual income and product knowledge.

LIMITATIONS OF THE STUDY

- Due to time constraint and limited resources only two districts of Punjab i.e. Jalandhar & Patiala were included in the study.

CONCLUSION

The study concludes that consumer perception towards branded dairy products in Jalandhar and Patiala indicate four important factors of consumer perception: Product quality, brand image, product attributes & product knowledge. The study depicted that there is no significant relationship between annual income and product quality, product knowledge and product attributes. There is significant relationship between brand image and annual income. Dairy is the one of the booming industry in Punjab. The milk production of the Punjab state is increasing every year. 20% market is under organised sector, consisting, cooperatives, and private companies making dairy products. The study suggested that the companies should adopt practices to attract people, and provide them knowledge, best quality at reasonable prices so that they buy organised /branded dairy products.

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