

A Comparative Study of Consumer Behavior Related to Branded and Non Branded Dairy Products in Haryana State



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Abstract

India is one of the major producers of milk and milk added products and takes a remarkable place in the world's map. Haryana is one of the highest milk producing state of India. Researcher classifies Milk and dairy product consumers into two categories as brand users and non brand users. Both types are using dairy products but their sources of products are different. It is to be considered that branded products are more hygiene, safe and according to Indian food safety standards, but besides of these facts lots of consumers are using non branded dairy products because of their own reasons. So in this research paper researcher tries to compare these two types of consumers with their reason. This paper will help to analyze the reasons behind the uses of non branded products.

Keywords : Brand, Dairy and Dairy Products, Haryana, Rural, Urban
Introduction

India is world's largest milk producing country since year 1998 and having highest livestock population with 50% buffaloes and 20% other cattle of the world. The Indian Dairy Industry has achieved this status with the help of a professionally-managed cooperative system, in spite of the facts that a majority of dairy farmers are illiterate with few cattle and selling milk is their only source of income. In India there are lots of Small widespread individual producers. They were linked by a revolution in 1970, known as Operation flood. More than 10 million dairy farmers who sell their products to one of 170 milk producers' cooperative unions who are linked with 15 state cooperative milk marketing federations. Several brands have been created by cooperatives like Amul (GCMMF), Vijaya (AP), Verka (Punjab), Saras (Rajasthan), Nandini (Karnataka), Milma (Kerala) and Gokul (Kolhapur). Major milk surplus states are Uttar Pradesh, Punjab, Haryana, Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu where supply of milk products are higher than demand. For utilizing such surplus and creating excellent export opportunities, Indian dairy companies are preparing themselves to meet international standards and other non-tariff barriers. (www.indiadairy.com)

Branding dairy industry in India is around 35%, of which the organized dairy industry account for 13% of the milk produced, while the rest of the milk is sold through unorganized channels. In India dairy business has been perceived as rural cottage industry over the years. Organized sector of dairy started with the establishment of branded dairy farms and co-operative milk unions with the contribution of white revolution. Since Independence this Industry has made high growth. The organized dairies in India have been successfully engaged in the routine commercial production of pasteurized bottled milk for Indian dairy products. Now outside world have an opportunities to invest in world's largest and fastest growing dairy industry by signing joint ventures or by exporting from India.

Dairy industry in Haryana

Haryana is a one of the states in northern India established on 1st November 1996. Progress of Haryana's economy had been started from its creation. Its annual average growth rate in the past eight years (2005-06-2012-13) is 8.8% higher than 8.0% growth rate of whole country despite of its total geographical area is 44,212 sq. km., which is 1.4% of the geographical area of the country. The contribution of state in national GDP

is 3.4 % as on 2012-13. The state is divided into 21 districts within these 154 cities and towns and 6,841 villages. Haryana is one of the wealthier states of India and had the second highest per capita income in the country including the largest number of rural crorepatris in India. In 2013-14, Haryana's PCI was about `1.33 lakh while the nationwide average was about `74. (www.haryana.gov.in)

Haryana is one of the most progressive states of India. All three sectors as primary, secondary and tertiary sectors are growing tremendously. Contribution of dairy industry in primary sector of Haryana is so much as there is a saying 'desai me des Haryana, jit dooth dahi ka khana'. It means in all over world Haryana is a place where the staple food is milk and milk products. Not only consumption point of view but in production point of view Haryana is in ranks. Haryana is home towns of worldwide famous breed of buffaloes for productivity are 'murrah' and 'haryani'. (pashudhan Haryana.gov.in)

Haryana dairy industry can be classify into two broad categories as organized and unorganized sector. Organized sector can be co-operative and private. These sectors are registered under MMPO-1992, and assure their hygiene, quality, quantity, prices, and delivery as per rules and regulations. It includes branded dairy products as Amul, Vita, Mother Dairy, Lakshya and many more. On the other hand unorganized sector is unrecorded, unhygienic, unregulated and uncontrollable. It includes loose milk, cheese and curd from halwais etc. both sectors are prevailing in Haryana but proportion of unorganized sector is more than organized sector. Usage pattern of both branded and unbranded products are different in rural and urban areas.

Problem Statement

There are lots of researches done of branded dairy sector, but there is lack of studies on the comparative analysis of urban and rural consumer's usage pattern. Consumer uses brand and unbranded products because of many reasons but regional differences is one of them. Therefore the study is to know the degree of consumer preference because of regional differences as rural and urban areas. Researcher selected Haryana state to conduct this study.

Objective of the Study

The main objectives of the present study is as follow:

1. To analyse the proportion of brand users and non users among both urban and rural consumers.
2. To find out the level of performance factors among brand users of dairy products.
3. To find out the reasons behind not buying branded dairy products.

Review of Literature

Branding is a phenomenon which gives identity of a product. As we cannot identify a person without name, surname, residential address and work status same as we cannot recognize a product if it has no brand name. Different authors define branding as their own view of point.

Ambler (1992) –“brand as the promise of the bundle of attributes that someone buys and provides satisfaction. The attributes that make up a brand may be real, rational and tangible.” It provides brand as a deal of benefits provided by a products.

American marketing Association (2009) - “A brand is a product or service that adds dimensions that differentiate in some way from other product or service designed to satisfy the same needs.” This definition perceives that brand distinguished between two or more same products.

Gradner & Levy (1995)- “a brand name is a complex symbol that represent a variety of ideas and attributes.”

“Brand is the combination of all of the elements (name, symbol, design and packaging) by which the product differs from the competitors”- kapferer's view

In food market there is a neck to neck competition between branded and non branded food products. Branded food manufacturers have to adopt some branding strategies to get the competitive advantage. Gehlhar M. et al (2009) researched that for innovation in food industry branded manufacturer can be a main source as they have a potential for superior return. By differentiating our product from competitors a firm can get a benefit of brand leadership. So product innovation and brand leadership are two main strategies adopted by global food market. customer expectations define the needs, wants and preconceived ideas of a customer about a product or service. Customer expectation will be influenced by his perception of the product and can be created by previous experience, advertising, hearsay and brand image. Customer retention is the effort carried out by a company to ensure that its customer do no switch over to the competition's products and services. Customer expectations are deeper and broader than requirements as they are customers perception and critical to firm's success. The best techniques for influencing customer expectation are establish truth, educate, explain, do it in private, show them, then sell and last is balance the give and take. (lidia et. al. (2013).

John s. et al. (2013) earlier milk was sold door to door but after the emergence of dairy cooperatives trend of branded milk was started. At that time milk was sold in glass bottles. As time changes glass bottles are replaced with plastic pouches and after some time tetra pack was in trend. This study is based on Kelle's brand equity pyramid. this study was designed to investigate the influence of demographic variables and different dimensions of milk brands this study is related to find out factors influencing consumer buying behaviors with special reference to dairy products. The variable includes cost, packaging, availability, ingredient, product popularity, quality, taste etc. these factors are helpful for making strong marketing strategy. Kumar A. et al (2014)

Research Methodology

Asian Resonance

This study is based upon both primary and secondary data. The first time collected data which is not earlier available is termed as primary data. For the purpose of primary data with regards of comparative analysis of brand and non brand users, the researcher has carefully designed a questionnaire. Already available information is known as secondary data. Secondary data was collected from journals, websites, research papers and magazines.

Sample Design

Since the objective of the study is to do comparative study between brand and non brand user, researcher has used convenient sampling technique for data collection. The researcher has taken 500 sample size from Haryana state . out of 500 sample size 475 are valid respondents with are almost 50-50 % from both rural and urban area.

Framework of Analysis

The collected data was properly analyzed with the help of appropriate statistical tools in order to fulfill the objectives of the study. After carefully collected and tabulated data researcher used percentile analysis, likert scaling technique and Garrett ranking technique.

Analysis

This part analyse the various parts of comparative study between brand and non brand user of Haryana state.

Education of the Respondents

The level of education among the respondents indicates the ability awareness level in marketing environment. The distribution of respondents on the basis of education level is presented in the bar diagramme along with the criteria of brand users and non users represented in figure no1. This bar diagram is two dimensional in nature. It's first dimension is education level, which is distributed into five criteria as illiterate, undergraduate, graduate, master degree and others. The second dimension is brand user and non users. Figure 1 analyse that undergraduate, graduate and master degree level users of branded dairy products are more as compared to non users. But at the illiterate and others level of education users are equal or less than non users. It is clear that educated people prefer branded products than less educated and illiterate people.

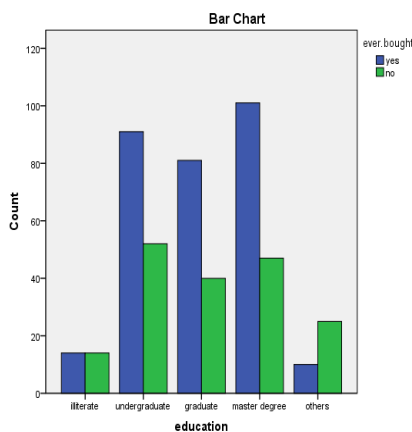


Fig. 1 Education of the Respondents Monthly income of the Respondents

Monthly income of the Respondents

Another important factor to compare brand and non brand user is monthly income of the respondents. The distribution of users and non-users of brand according to monthly income is as follow.

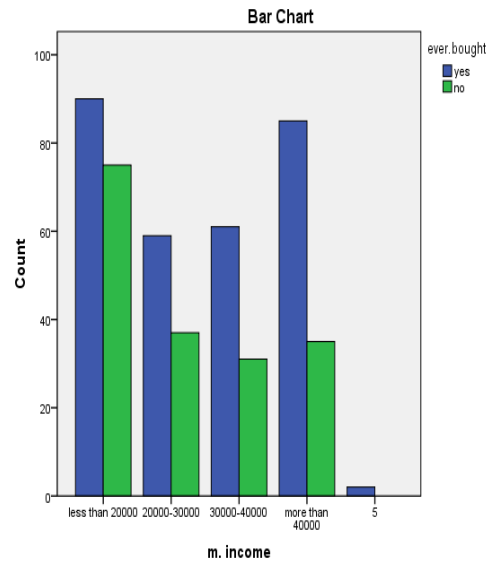
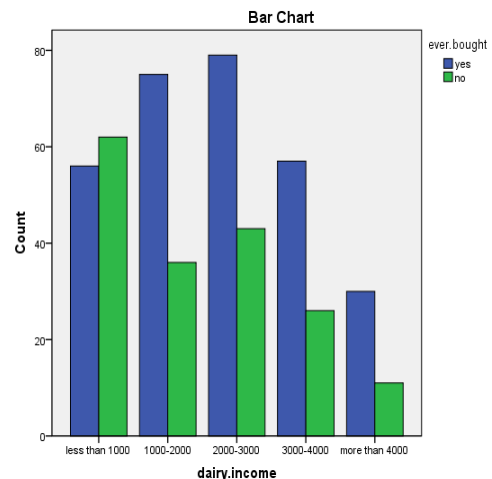


Fig 2 Monthly income of the Respondents

Monthly income of the respondents are distributed into four categories as less than 20000, 20000-30000, 30000-40000 and more than 40000. Bar diagram shows that higher and lower income groups are showing more brand users as compared to middle income group. But in case of non users respondents decreasing as per income level increases.

Monthly income Spend on Dairy Products of Respondents

How much a respondent spend on dairy products in a month also explains the brand and non brand users. Amount spend on dairy products are divided into five categories as less than 1000, 1000-2000, 2000-3000, 3000-4000 and more than 4000.



Asian Resonance

Fig. 3 Monthly income Spend on Dairy Products of Respondents

Figure 3 indicates that maximum expenditure of brand user on dairy products lies in the range of 2000-3000. But in case of non users the maximum expenditure lies in less than 1000 and 3000-4000 range. The reason may be in Haryana's rural area lots of family has cows and buffaloes for their own consumption. So they lies in very less expenditure scale.

Brand user and Non user Vs. Urban and Rural area

Table 1 indicates the proportion of brand user and non users among the total sample size. This table also through light on the division of urban and rural consumers.

The table shows that among the total respondents 52% is from urban and 48% is from rural area. Researcher tried to fill approximately equal amount of questionnaire from both urban and rural areas. Out of total respondents 62.5% are using branded dairy products and remaining 37.5% are using non branded products. In urban areas brand users are 65% and non users are 35%. But in rural areas 31% are using branded products and 69% are not using.

		Brand usage		Total
		yes	no	
Region	urban	65%	35%	52%
	rural	31%	69%	48%
Total		62.5%	37.5%	100%

It concludes that in urban areas users are more than non users. As in urban areas education level, mothly income level and monthly expenditure on dairy products are high. In rural areas non users are more than brand users as they are less educated, less income level and less monthly expenditure.

Performance of Branded Dairy Products as Per Brand Users

Researcher also wants to research the level of performance among branded dairy users . for achieving this objectives researcher has collected few factors to measure the performance of branded dairy products on the five point likert scale as very good, good, fair, poor and very poor. After using Garrett mean score method, ranks are provided to these factors. After recording tabulating, measuring and providing rank Table 2 provide the ranking of relevant factors.

Table 2 indicate that according to respondents quality occupy numder one position among all factors. It means that consumers are most satisfied with the quality of branded dairy products. After quality, variety and taste takes second and third rank. Same as hygiene level of dairy products are on fifth rank, freshness on sixth rank.Avalibility, packaging and thickness takes eighth, ninth and tenth place. Researcher provided facots on these ten grades, but there are also few factors which are not in top 10 ranking as value of money, shelf life(time gap between manufacturing and selling), pricing and approachability.

So it is concluded that quality,variety, taste, hygiene level, health benefits, carry situation and freshness are upto the level of satisfactory performance but other factors are below that level.

Factors	Garrettmeanscore	Rank
Quality	85	1
Variety	80.5	2
Taste	79.1	3
Hygiene Level	78.5	4
Health benefits	77.4	5
Carry situation	75.7	6
freshness	75.5	7
Availability	74.8	8
Packaging	74.5	9
Thickness(Fat content)	73.5	10

Table 2- Performance Level of Branded Dairy Products

Reasons of Not Using Branded Dairy Products As Per Non Users

The third objective of researcher is to find out the reasons for not using branded dairy products. Researcher tried to figure out the reasons behind not using branded products. The foremost reason is fear of artificial additive. It means respondent are not using branded products because they seems that the product has added some adultration to preserve it. They ranked two to not fresh and skimmed milk. Home delivery is also a hindrance in the path of consumers. Low quality and plastic packaging occupyes fifth and sixth place. Bad smell, non availability, bad taste, turning sour and hard to digest occupyies seventh, eighth, ninth and tenth place. Researcher provided facots on these ten grades, but there are also few factors which are not in top 10 ranking as not so much variety, bad value of money, no credit facility, measurement not done in frount and high prices.

Reasons	Garrett Mean Score	Rank
Fear of artificial additive/adultration	46.1	1
Not fresh	44.7	2
Skimmed milk	43.2	3
No Home delivery	42.8	4
Low quality	42.4	5
Plastic Packaging	41.1	6
Bad smell	41	7
Non availability	40.5	8
Bad taste	40.2	9
Turning sour	39.8	10
Hard to digest	39.8	10

So it is concluded that adultration, not fresh, skimmed milk, no home delivery and low quality are the main reasons for not buying branded dairy products.

Summary of Findings

From this study researcher records the following main findings. The study reveals that majority of the brand users and non users are educated from undergraduate to master degree. Higher and lower income groups are showing more brand users as compared to middle income group. But in case of non users respondents decreasing as per income level increases. It concludes that in urban areas users are more than non users. In rural areas non users are more than brand users as they are less educated, less income level and less monthly expenditure. quality, variety, taste, hygiene level, health benefits, carry situation and freshness are upto the level of satisfactory performance but other factors are below that level. adultration, not fresh, skimmed milk, no home delivery and low quality are the main reasons for not buying branded dairy products.

Suggestions

This research tries to sum up the factors influencing brand and non brand users of dairy industry. There are few suggestions regarding it. The data collected from primary sources indicates that non users are not using brand dairy products due to many reasons. Fear of adultration, not fresh, skimmed milk, bad taste and bad smell are the problems related to product itself, which can be solved by providing information to consumers from reliable sources. Other problems as approachability, availability, no home delivery, plastic packaging and no credit facility should be considered by the company and should take necessary steps to shoot it. Level of satisfaction among user are more in few points but some are under unsatisfactory level as pricing, approachability, shelf life, value for money. Company should consider these points.

Conclusion

The study "A Comparative study of Brand and Non Brand consumers of Dairy Products in Haryana state" determines the consumer's level of satisfaction and reasons of dissatisfaction about branded dairy products. Now the dairy industry is facing tremendous competition between branded and unbranded dairy products. In order to sustain in the market, company has to satisfy their consumer by removing the reasons of dissatisfaction and sustain their consumers.

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