Consumers Buying Behavior and Regional Differences with Reference to Dairy Industry in Haryana

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Abstract

India is world's largest milk producing country since year 1998. In India there are lots of Small widespread individual producers. They were linked by a revolution in 1970, known as Operation flood. Branding value added dairy industry in India is approximately 35%, of which the share of organized dairy industry account only 13% of the total milk produced, while the rest of the milk is sold through unorganized channels. 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. 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.

Keywords: Dairy Industry, Organized Sector, Branded, Unbranded, 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.

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 opportunity to invest in world's largest and fastest growing dairy industry by signing joint ventures or by exporting from India.

About the Study Area

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 crorepatis in India. In 2013-14, Haryana's PCI was about `1.33 lakh while the nationwide average was about `74,

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 'desa 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'.

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.

Review of Literature

Branding is helping for an organization to create a unique value for customers and to achieve competitive advantage. This study is based upon Aaker's model of brand equity and tries to know the impact of brand awareness, brand loyalty, perceived quality and brand association on the brand equity of dairy products. The study reveals that all four factors are significantly related to each other and helpful in creating strong brand equity in dairy industry. Hosseini S. (2013)

Anantharaman R's.this study is related on significant on brand building on achieving brand equity by taking a case study on Amul dairy products. Amul brand building strategy includes 1) quality 2) supply chain management 3) taglines 4) advertising strategy 5) umbrella branding and 6) social responsibility. On the bases of these strategies Amul got a unique place in Indian dairy industry. this paper studied on the consumer behavior regarding branded v/s unbranded milk. Main variables for dairy products are freshness, quality, taste and texture, variety and convenience. The socio economic profiles of the consumers as income occupation, education, age region are the aim determinants of the consumption patterns of milk. Promotional activities, supply chain management contribute for the success of dairy industry. Virdi S. et al (2007) this paper throws light on the usage pattern, user preferences and scope for products change with respect to branded dairy products. This study showed that family size and family with high earnings are more concerned with quality of branded dairy products. Majority of people living in rural areas are using unbranded dairy products, which are neither healthy nor enriched with nutrients. Ashok D.(2012). Sivasankaran S. (2013), s this study reveals about the brand preference of packed milk among the rural and urban consumers. Majority of rural and urban buyers felt that some branded milk supply was poor in quality. The researcher suggest to the manufacturers should concentrate on the package design, model and advertisement. Major problems are high prices and non availability.

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 objective of the study is simply to know buying behavior of rural and urban consumers with branded and unbranded dairy products. To achieve this main objectives our sub objectives are:

1. To know comparative Education level between rural and urban areas.
2. To know comparative income level and dairy expenditure level between rural and urban areas.
3. To know comparative statement of dairy brand users and non users between rural and urban areas.

Research Methodology

For this study researcher collect primary data with the help of questionnaire. A well defined questionnaire was made for both rural, urban area and for brand users and non brand users. Both urban and rural areas was selected for survey. Sample size was 500, out of which 475 was valid respondents. After tabulation and classification descriptive statistics was used for analysis as average, percentage, proportionate etc with the help of Microsoft Excel.

Analysis and Interpretation

This study is related to rural and urban region f Haryana state. Some variables have choosen to analyse the demographic profile of the respondents. Some of these are education level, age criteria, monthly income spend on dairy products. These factor through light on the purchase pattern of both rural and urban consumers.

Table 1 represents the age classification of the respondents. in total sample size 60% respondents comes under the category of age 20-40 which is the sum total of rural with 56.6% and urban with 63%. The next 31% respondents comes under category of more than 40 years age. It reveals that impact on data is mostly from young people.

Table-1
Age Level

Age of the Respondents						
	Rural		**Urban**		**Total**	
Age	**Respondents**	**%**	**Res.**	**%**	**Res.**	**%**
less than 20	38	16.80%	4	1.60%	42	8.80%
20-40	128	56.60%	157	63.00%	285	60%
more than 40	60	26.60%	88	35.40%	148	31.20%
total	226	100%	249	100%	475	100%

After collecting and tabulating the data related to education level of the respondents, some revealed facts are that in rural areas maximum education level is 42.5% ie below graduate but in urban areas maximum education level is post graduate which is 45.4%.percentage of illiterate people is also more in rural areas as compared to urban areas. After studying table 2 it is correct to say that level of education is better in urban areas as compared to rural areas.

Table-2
Education Level of Respondents

Education of the Respondents						
	Rural		**Urban**		**Total**	
Education	**Respondents**	**%**	**Res.**	**%**	**res.**	**%**
Illitrate	22	9.70%	6	2.40%	28	5.80%
Below Graduate	96	42.50%	45	18.00%	141	29.50%
Graduate	43	19.00%	78	31.30%	121	25.50%
Post Graduate	37	16.40%	113	45.40%	150	31.50%
Others	28	12.40%	7	2.90%	35	7.20%
Total	226	100%	249	100%	475	100%

Income level of respondents different in both regions ie rural and urban areas. in rural areas maximum respondents comes under the income level of less than 20,000 rs. Per month but in urban areas this lies under more than 40,000. There is so much gap between both type of respondents in respect of regional differences. Income level in rural areas is very less as compared to urban areas. Table 3 shows this difference in percentage form very clearly.

Table-3
Monthly Income Level

Monthly Income of the Respondents						
	Rural		**Urban**		**Total**	
Income level	**Rrespondents**	**%**	**res.**	**%**	**res.**	**%**
<20,000	133	58.80%	32	12.80%	165	34.70%
20,000-30,000	45	20%	50	20.00%	95	20%
30,000-40,000	31	13.20%	70	28.20%	91	19.10%
>40,000	25	9.00%	97	39%	122	26.20%
total	226	100%	249	100%	475	100%

Table 4 represents the monthly income spend by both urban and rural people on dairy products. In rural areas 43.8% respondents are spending less than 1000 rs.monthly On dairy products. This percentage is very less as compared to urban areas which lies under the range of 2000-3000. The reason behind this may be less monthly income of rural consumers as shown in figure 3. Less income level, less amount spend on dairy products and more income level, more spent on dairy products. The reason may also be having cows and buffaloes for own consumptions. In rural areas many families have own cattles to fulfill their own needs. So they spent less on dairy products.

Table-4
Monthly Dairy Expenditure

Monthly Income Spent on Dairy Products						
Monthly dairy ex.	**Rural**		**Urban**		**Total**	
	Respondents	**%**	**Res.**	**%**	**res.**	**%**
<1,000	99	43.8	19	7.60%	118	25
1000-2000	53	23.50%	57	22.80%	110	23.20%
2000-3000	41	18.20%	80	32.20%	121	25.50%
3000-4000	21	9.20%	62	24.90%	83	17.50%
>4000	10	5.30%	31	12.5	41	8.80%
total	226	100%	249	100%	475	100%

From the above tables and their analysis it is clear that most of the respondents comes under 20-40 age level and their education level, income level and dairy expenditure level is different from region to region ie urban and rural. Table 5 indicates that division on total respondents under two broad areas as region wise and brand usage. As number of respondents are almost same in both rural and urban areas but the number of brand user and non users are very much different. Brand users are those consumers who are using packed and branded dairy products as Nova ghee, Amul Milk etc. brand non users uses loose ghee, milk curd etc. as milk from milkman, cheese and curd from halwais. Table 5 is also represented in the form of diagram and in

percentage form for easy understanding shown in figure 1.

Table -5
Region Vs. User Nonuser Cross Tabulation

		Brand Usage		Total
		Yes	No	
Region	Urban	194	55	249
	Rural	103	123	226
Total		297	178	475

Figure 1 is the diagrammatical representation of table -5. This diagram reveals that out of total sample only 37.5% respondents are not using branded dairy products. Remaining 62.5% are brand users. Out of total brand users rural area covers only 35%. Percentages of brand users are ore in urban areas as compared to rural areas.
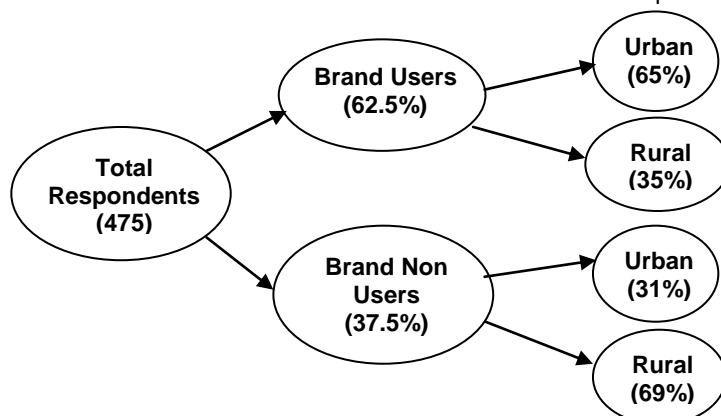

Fig.1 Percentage Division of User, Non Users with Rural and Urban Areas

Above figure also shows the percentage of brand non users between rural and urban areas. Urban area has less percentage of brand non users as compared to urban areas. Only 31% respondents are using non brand products in urban ares as 69% in rural.

Limitation of the Study

The researcher has taken very much care in collecting and analyzing data. In spite of all efforts, the study has some limitation

1. Due to time and cost constraints, the study was limited to 475 respondents.
2. Questionnaire itself has a limitation of biased information.
3. Area is restricted to Haryana and convenient sampling was used, which is also a limitation.

Conclusion

This study reveals the conclusion that a regional difference gives so much impact on the purchasing behavior of consumers. Their thinking, liking, disliking, attitude, trust, loyalty, beliefs are different because of region. As commonly seen that literacy level, awareness level, knowledge, level of health consciousness etc are less among rural consumers in compare to urban ones. This study conclude that urban consumers are more brand conscious and using branded dairy products in compare to rural consumers. Rural consumer are simple and believe the unpacked, unbranded products easily, so number of unbranded users are more than urban areas. The reason behind may be less education level, less monthly income level and less

monthly dairy expenditure as analyzed from various tables prepared with primary data.

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