



## A STUDY ON CONSUMER DECISION TOWARDS PURCHASE OF DAIRY PRODUCTS: A CASE STUDY OF BERHAMPUR

### KEYWORDS

Dairy Products, Consumer Buying Decision, factors influencing purchase of dairy products, consumer behavior.

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### ABSTRACT

Traditional marketing concept imparts that the products were made to be sold to the customers, whereas the modern marketing practices emphasize on identifying the needs of the customers and then starts the manufacturing process. It aims at improving business performance through an understanding of the customer's preferences and desires. In today's world of growing competition where there are numerous brands selling the same products, consumers have an abundant number of choices and many diverse factors influence upon their buying decision of any products.

The descriptive study assessed consumers' preferences, which play a crucial role on their buying behavior. The aim of the study is to identify different variables on consumer decision on purchase of dairy products available in Berhampur. These variables include packaging, cost, availability, ingredients, product popularity, product quality, product taste, etc. It also depicts preferences and level of satisfaction of the respondents regarding their usage of dairy products

### Introduction

Consumers' buying decisions are extremely complex. It is deeply rooted in psychology with dashes of sociology thrown in just to make things more interesting. It explains the influences on the consumer from groups such as family, friends and society in general. In competitive and saturated market, a key to success of any business depends on knowing consumer and his consumption patterns and recognizing and understanding factors influencing his decision-making for the purpose of developing an attractive offer of products, supporting services, communication means and other marketing tools that would fit like a glue to customer's needs. (Klaudia Kurajdova) (2015). The factors affecting consumer's decision, while buying the dairy products, the variables include packaging, cost, availability, ingredients, product popularity, product quality, product taste, etc., that influence the choice of a brand of milk and milk products. (Ananda Kumar. A & Babu.S) (2014)

In the fast growing world of consumerism, it is necessary for every organization to study their customer preference for dairy products to identify the underlying factors for preference of dairy brands as well as make suggestions for the company to take the right market to be a leader in the market to the dairy products. Grunert et al. (2005) discuss that consumers perceptions of dairy product quality are complex and involve much more than sensory attributes. They contend that consumers consider four dimensions when forming perceptions about dairy product quality: (1) hedonic (e.g. sensory attributes such as taste or smell), (2) health-related, (3) convenience-related and (4) process-related (e.g. production processes such as organic, animal welfare or genetic modification). Thus, manufacturers/ processors and marketers must understand the role each of these dimensions plays in driving consumer demand for dairy products and realize consumers may be heterogeneous in their preferences or perceptions of what constitutes dairy product quality.

### Objectives of the study

The main purpose of the study is to understand consumer motivations and preferences for buying dairy products. However, the specific objectives of the study are as follows:

- To find out the consumer preferences towards Dairy products available in study area.
- To understand Customer Satisfaction level on dairy products in Berhampur.
- To analyse the factors influencing on consumer decision towards purchase of dairy products.

### Review of Literature

Rubaina (2010) conducted a research on the customer preference towards dairy products. The study made an attempt to identify the customer's preference towards dairy products and to know about the factors which influence the selection of different brands of dairy products. The study revealed that the company should make survey to know the expectations of the consumers and produce that product in the manner so as to attract more customers towards their brand and advertisement can be done through mass media to increase sales and to educate customers about the product.

Elangovan and Gomatheeswaran (2015) focused on consumer behaviour towards various brands of milk and milk products. Consumers' lifestyles are influenced by number of factors. Like culture, subculture, values, demographic factors, social status, reference groups, household and also the internal makeup of the consumer, which are emotions, personality motives of buying, perception and learning. The study was examining the differences in consumer's behavior with socio and economic characteristics towards brand selection.

Kumar and Babu (2014) made an attempt to find the factors affecting consumer's buying behaviour, with the focus on dairy products. The variables include packaging, cost, availability, ingredients, product popularity, product quality, product taste, etc., that influence the choice of a brand from among those in the consideration list, but may not be the most important and primary determinants for short listing brands. The study is useful to the marketers as they can create various marketing programs that they believe will be of interest to the consumers. It can also boost their marketing strategy.

Lokanathan. S (2008) undertook a study on customer satisfaction towards mothers dairy products. The objective of the study was to know the customers ideas, opinion and the satisfaction level towards mother's dairy production. The study found that mother's dairy is a big organization and the market leader in dairy products and has maximum market in milk. The study also found that customers are mostly satisfied with the overall quality of mother's dairy products.

Rangasamy and Dhaka (2008) undertook a comparative on marketing efficiency of Dairy Products for Co-operative and Private Dairy Plants in Tamil Nadu. Their study aimed at comparing the marketing of milk and milk products by dairy plants of co-operative and private sectors in Tamil Nadu. It was found that the marketing cost for toned milk was same in both the dairy plants, whereas it was higher for other milk in the cooperative dairy plant. All the dairy

products earn more marketing margins in the private than cooperative dairy plant, except for toned milk. Hence, the marketing efficiency of cooperative dairy plant for all dairy products has been observed relatively less than that of private dairy plant, except toned milk. The study also found 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.

**Research Design and Sample Size**

The Research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data. The study notches the consumer satisfaction and buying decisions of dairy products. The sample size of this research is 200 respondents.

Primary data has been collected through questionnaire from the consumers of Berhampur. The questionnaire is prepared through the customers' preference towards purchase of dairy products, factors affecting the buying decision and level of satisfaction of respondents upon dairy products. The Secondary data are the data already been collected and analyzed by someone else. Those data may either be published or unpublished. Published data is published report, records, journals, books etc. Unpublished includes diaries, biographies, private individuals etc, are those data used for research.

**Methodology**

The result of analysis and interpretation of empirical data based on the questionnaire of 200 respondents. The primary data is collected by the way of questionnaires from various age grouped and socio-economic people of Berhampur of Ganjam district, Odisha. The consumers buying decision on dairy products are analysed and based on the questionnaire by the following methods.

**• Preference of Dairy Products**

The following table 1 shows that the reasons for consumers preference for dairy products.

**Table 1 Consumers' preference toward purchase of dairy products**

Reason for preference	No. of respondents	Percentage
Availability	52	26
Quality	40	20
Product Price	36	18
Product Variety	12	6
Product Label	28	14
Brand Image	22	11
Other reasons	10	5
<b>Total</b>	<b>200</b>	<b>100.00</b>

**Source: primary data**

The above table 1 clearly shows that 26 percent of the respondents prefer dairy products for its easy availability, whereas 20 percent of the respondents prefer for quality of the product followed by price (18%), product label (14%), brand image (11%) and product variety (6%). Only 5 percent respondents buy dairy products for some other reasons.

**• Satisfaction Level**

Products should have the ability to offer value satisfaction to the consumer. The satisfaction may be both real and psychological. The following table shows the level of satisfaction of respondents regarding their usage of dairy products

**Table 2 Level of satisfaction based on attributes**

Satisfaction attributes	Level of Satisfaction			Total
	Highly Satisfied	Satisfied	Dissatisfied	
Availability	22	32	8	62
Quality	16	21	5	42
Product Price	12	17	7	36
Product Variety	6	10	13	29
Product Label	8	11	12	31
<b>Total</b>	<b>64</b>	<b>91</b>	<b>45</b>	<b>200</b>

The above table indicates the level of satisfaction based on 200 respondents. From this table, 22 respondents are highly satisfied, 32 respondents are satisfied and rest 8 respondents are dissatisfied on "availability" of the packaged dairy products. Thus, most of the respondents had showed their satisfaction views towards the "availability" of the products. 16 respondents are highly satisfied, 21 respondents are satisfied and rest 5 respondents are dissatisfied on "quality" of the dairy products out of total respondents. Because "Quality seal" also embraces sustainability and ethics which are global trends related to consumption. Reasonable price is important for purchasing dairy product among respondents. Consumer's behavior to product choice is greatly affected by economic circumstances and lifestyle pattern which is shaped by consumers are money-constrained. Here, 12 respondents are highly satisfied, 17 respondents are satisfied and rest 7 respondents are dissatisfied on "price" of the dairy products followed by 8 respondents are highly satisfied, 11 respondents are satisfied and 12 respondents are dissatisfied on "product label" of the dairy products. Label of dairy product such as the nutritional components, production and expiry dates are very important to the consumers while purchasing the dairy products. Only, 6 respondents are highly satisfied, 10 respondents are satisfied and 13 respondents are dissatisfied on "product variety" of the dairy products.

**• Factors influencing on buying of dairy Products**

Many factors can influence consumers' buying behaviour. It becomes very difficult for a marketer to predict the products that consumers may consider to buy as well as the quantities to be purchased at a given time. Moreover, marketers are not able to know with certainty why consumers choose particular product and disregard others. Consumers seek benefits to meet their needs; marketers therefore have to present benefits in their products in order to appeal to customers more effectively. Table 3 describes the various factors influencing on consumer decision towards purchase of dairy products.

**Table 3 Factors influencing on consumer decision towards purchase of dairy products**

Factors	No. of Respondents	Percentage
Hygiene	22	11
Nutritional ingredients	21	10.5
Brand Preference	14	7
convenience	26	13
Advertisement	10	5
Product Taste	16	8
Freshness	20	10
Packaging	9	4.5
shelf life	17	8.5
Family Influence	8	4
Economic Influence	13	6.5
Food safety	18	9
Colour	6	3
<b>Total</b>	<b>200</b>	<b>100.00</b>

Consumers while purchase dairy products look for freshness, quality, taste and convenience. Products like Dahi and sweets like Kheer, Basundi, Rabri are perishable products with a shelf life of less than a day. These products are, therefore, manufactured and sold by local

milk and sweet shops. There are several such small shops within the vicinity of residential areas. Consumer loyalty is built by consistent quality, taste and texture.

It is clear from the above table that, most of the respondents had showed their priority towards the "convenience" of the packaged dairy products. Thus, 13 percent respondents prefer the products due to convenience. Similarly, 11 percent respondents prefer the dairy products possessing more "hygienic". Because, inappropriate hygiene reduces the shelf life of products.

10.5 percents respondents are preferred to buy the product containing nutritional ingredients. Now most of the respondents valued the "medical and/or nutritionist recommendation". This denotes a challenge for the industry, which needs to ally with health professionals who strongly influence consumer behavior. The marketing of unhealthy foods in grocery stores and supermarkets can influence consumer behavior. Most of the customers are receptive to services or programs that are designed to help them make healthy food choices.

10 percent respondents takes decision before buying the dairy products whether it is fresh or not. Thus, dairy producers have to work on better distribution system for maintaining the "freshness" of the products and in turn achieve the greater shelf life. Whereas, 9 percent respondents are giving more priority to food safety. Food safety is a universal concern, which can affect consumer market behavior and decision making independently from other qualitative factors.

The factors like shelf life and product taste influences 8.5 and 8 percent respondents only. Because, in order to differentiate their product among the competitors, dairy producers could work on different flavours, and they should offer different ranges of tastes to the consumers. Whereas, Brand image affects 7 percent respondents. Brand preferences of dairy consumers and emphasizes on importance of brand for respondents shows the level of respondents' loyalty is high.

Economic factors like income, expected discretionary income, family income, and consumer's credit also influence the consumer preference and their buying decision. In the above table 6.5 percent respondents are influenced due to economic factors.

Advertisement and Packaging affects on consumer buying decision at 5 percent and 4.5 percent respectively. The advertisement media such as TV, radio, newspapers and magazines have greater impact on consumer buying decision. Both visual/audio images are interactive means highly efficient in catching the consumer attention on the specific product. Similarly, an attractive packaging could be an advantageous tool of industry to gain more consumers, not only by ratifying propagated values, but also by attracting the consumer attention at the purchase decision time. Most consumers belong to the family group.

The family can exert a considerable influence in shaping the pattern of consumption and indicating the decision making roles, Personal values, attitudes and buying habits have been shaped by family influences. In the above table 4 percent respondents are influenced by family members. Whereas, only 3 percent respondents are influenced by colour of the product. Colors can influence customers' emotions, positively or negatively.

### Conclusion

The paper analysed the factors influencing upon consumer decision towards purchase of dairy products in Berhampur. Generally, the consumers change their buying decisions frequently on the basis of new trend and fashion. They well know their needs and wants, so gather information about products and also compare its price, quality, taste and other attributes. If the consumers are not satisfied

they shift to other brands. We observe that Product Quality, Availability, Pricing Variety and product label have been regarded as major reasons for preference and getting satisfaction on usage of dairy products.

In the Consumer Behaviour, the buying decision making is the crux of the process and buying roles and it has major role to play in decisions such as initiator, influencer, decider and buyer. Now a days the customers are more dynamic, their tastes, needs and preferences are ever changing and it is often influenced by several factors. This study revealed that, the factors on priority to influence the consumer preferences over the other branded dairy products in the study area. The result of this study suggests that there are thirteen factors affecting the consumers purchasing decision towards dairy products. Based on the results, factors those were identified including Hygiene, Nutritional ingredients, Brand Preference, convenience, Advertisement, Product Taste, Freshness, Packaging, shelf life, Family Influence, Economic Influence, Food safety and Colour.

In conclusion factors explained that, Berhampur dairy consumers' gives more priority on convenience of products then other attributes. Because, product switching behavior is occurred among the respondents in case of non-availability of their needed products in their stores. The next influencing factor is Hygiene. Furthermore, Nutritional ingredients, Freshness, Food safety, shelf life, Product Taste, and Brand Preference of the dairy products are factors that affect Berhampur consumers' purchasing decision. In the end, Family influence, Economic influence, Advertisement and Colour is important factors influences the dairy product purchases

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