Reinforcing the Customer Outlook : A Case Study of Dairy Industry

Dr. Sweta Rani
Asst. Prof., Army Institute of Management, Kolkata

Dr. Purnima Kumari
Asst. Prof.,M.J.M. Mahila College, Katihar, Bihar

Ravi Kumar
Researcher, Army Institute of Management, Kolkata

ABSTRACT: *Milk industry is an important part of life. The expansion of milk industry is bringing out daily life. It is so closely linked with essential goods that it is responsible for about 95% of population of India. The milk industry in India is a fully developed industry marked by extreme competition, where in increase of market share is typically comes at an intervention of local government and market players also. In every state there is Milk Producers Co-operative Union at the district level and Milk Federation as an apex body at the State level. The study aims to evaluate and examine the various attributes and parameters which affect buying decisions. The federation works on the intention of procuring and marketing milk and milk product especially from weaker section of society. The research study is focussing upon Haryana as a research area. Haryana milk federation also aim to establish the promotion of economic growth in terms of dairy Industry, mainly focussing upon rural areas. The data is being analyzed by MCDM technique using TOPSIS to find out the best alternatives out of various attributes.*

KEY WORD*: Essential goods, Federation, MCDM, TOPSIS, Customer Buying Decision*

Date of Submission: 12-12-2018 Date of acceptance: xx-xx-xxxx

I. INTRODUCTION

In 1946 under the inspiration and leadership of Sardar Patel and Morarji Desai, the famer went on a milk strike refusing to be cowed down by the cartel. Later on they formed their own cooperative in 1946 itself. This cooperative began with just two village dairy cooperative society and 247 litres of milk and today it is better known as Maul Dairy. Amul grew their business under the supervision and guidance of Tribhuvandas Patel. Varghese Kurien, was entrusted the task of running dairy. Then the Prime Minister of India, Lal Bahadur Shastri decided that the same approach should become the basis of the National Dairy Development Policy. Till then India has understood that how much the untouched dairy industry can be great industry to give speed to the development of economy. The motion of development has also understood that four major components which are the famers own dairy, their elected representative managed, the village societies and the district union, are going to employed professionals to operate the dairy and manage its business.

When it comes to understand the perception of customer buying approach towards dairy product, it is being observed and experienced also that the dairy product captures various segment of market like Restaurants and caterers as an essential goods. It is necessary that various aspects relating

to the product and services to be analyzed. Dairy product has always been used in various segment of Indian Markets.

1.2 Research Objective

The main objective of study is to evaluate the various factors influencing the buying approach. This study also the aims to examine the preferences and to make decision pertains to selection of milk product. The primary objective was to investigate the attributes that affect customer's buying decisions. The objective was also to rank the best brand in order to preference. It is quite evident that customer's buying decisions approach is a continuous process. Now the time has come to upgrade the exiting variety and typology of product range of dairy Industry.

1.3. Scope of the Study

Majorly study was conducted in Haryana State to analyze the level of satisfaction or utility obtained from Milk product and to understand the extent of product awareness within the existing customer but still there is scope for further studies with prospect customers. It is very important to understand the market players at same product line and attitude towards various dairy brands. This study may help in to make an assumption whether they need to introduce new market staregy.

1.4 Literature Review

Vijay Paul Sharma and Rajvir Singh4 (1989) analysed the consumption pattern of milk in the rural areas of Himachal Pradesh. Average milk consumption per capita per day increased both in the project area and the non-project area on different categories of households. However the proportion of milk consumed decreased and that of marketable surplus increased with an increase in milk production. In the project area, out of total consumption, about 58 per cent was consumed in the form of liquid milk and 42 per cent in the form of milk products like ghee and curd. **Nargunde A. Satish (2013)** highlighted the role of dairy industry in uplifting the weaker sections of the society, small land holder, landless labourers and women. It is estimated that up to 60-65 percent of the income of this group now comes from dairying. Studies have shown that dairy products in rural areas are more profitable than agriculture. Over the period dairy industry has acquire good space in market, able to make money and contributing towards GDP of India. **Ramanjaneyalu N. (2012)** examined the consumer's behaviour and dealer's perception towards Nandani Brand in compare with other competitor's brand. To excel in highly competitive business the company needs to evolve their production, marketing and pricing strategy effectively. **Rathor Prakashkumar (2012)** conducted research in Western Maharashtra region to know the perception of farmers towards livestock marketing service delivered by dairy federation. He also tried to light upon timely availability of products, amount paid, and satisfaction level of the farmers, getting more income and access to market facilities.

1.4 Research Methodology and Data Analysis

This study is preferred as it gives the population characteristics at a particular point in time. The present work is descriptive in nature as it aims to find out certain characteristics of people as on a particular time frame without getting into the estimation of causal relationship. This study is completely based on primary data therefore the study in empirical and descriptive research in nature. Survey design may able to understand the various attribute affect the business of company. The research design may also help to reveal the understanding of customers and suppliers performance as a sample space in Haryana region.

In order to reveal the ideal solution TOPSIS is being used as analytical tool. One of the known classical MCDM methods was first developed by Hwang and Yoon in 1981. It is based upon the concept that the solution and the farthest distance from the negative ideal solution. In this method, the performance and the weights of each criterion are given as exact values. To reach and get the auras from research design, an application of the TOPSIS technique is stated below:

Calculate Normalized Matrix

Weightage	0.1	0.4	0.3	0.2

Brand	**Price**	**Brand Preference**	**Availability**	**Advertisement**
VITA	26	40	39	8
AMUL	26	37	38	85
Mother Dairy	26	5	3	0

Others	25	3	2	0

Using the formula: $\bar{X}_{ij} = \frac{X_{ij}}{\sqrt{\sum_{j=1} X_{ij}^2}}$

Normalised matrix will be-

Brand	Price	Brand Preference	Availability	Advertisement
VITA	0.5048	0.7299	0.7147	0.0937
AMUL	0.5048	0.6752	0.6963	0.9956
Mother Dairy	0.5048	0.0912	0.0550	0.0000
Others	0.4854	0.0547	0.0366	0.0000

Weighted matrix elements can be calculated using: $V_{ij} = \bar{X}_{ij} \times W_j$

Brand	Price	Brand Preference	Availability	Advertisement
VITA	0.0504783	0.291972747	0.21439938	0.018740709
AMUL	0.0504783	0.270074791	0.20890196	0.199120029
Mother Dairy	0.0504783	0.036496593	0.01649226	0
Others	0.048536827	0.021897956	0.01099484	0

Euclidean distance from the ideal best

$$S_i^+ = \left[\sum_{j=1}^{m} \left(V_{ij} - V_j^+ \right)^2 \right]^{0.5}$$

Euclidean distance from the ideal worst

$$S_i^- = \left[\sum_{j=1}^{m} \left(V_{ij} - V_j^- \right)^2 \right]^{0.5}$$

V+	0.048536827	0.291972747	0.21439938	0.199120029
V-	0.0504783	0.021897956	0.01099484	0

Calculate performance score using

$$P_i = \frac{S_i^-}{S_i^+ + S_i^-}$$

Brand	S_i+	S_i-	P_i	Rank
VITA	0.032540468	0.114665012	0.21439938	2
AMUL	0.000513511	0.140407754	0.20890196	1
Mother Dairy	0.144087847	0.000243342	0.01649226	3
Others	0.153962584	3.76932E-06	2.44814E-05	4

1.5 Result

All data were collected, coded and tabulated on the basis of various variables that measure the performance of dairy industry. Descriptive statistics were generated in terms of mean among others. The data collected from respondents shows that the Amul is most preferred brand among consumers. Vita is also a market player results shows that they need to focus on product promotion innovative ideas. Mother Dairy and other product as milk have been observed as the third and next among four. Analysis also shows that Vita is average performer in Haryana region in all the categories. According to data analysis it is being observed that advertisement is at first place then quality and availability and the last attribute which is affecting the buying approach of customer.

1.6 Recommendation and Conclusion

The company has a large acceptance for its product in the essential goods category. The company like Amul and Vita need to ensure the quality and awareness level among consumers be maintained. Amul has a wide range of market share in all the city of Haryana, therefore it is important to retain suppliers and consumers at the best level. It will hold the company in its expansion of business. The market players of dairy industry need to put more focus upon quality and availability of products to capture maximum market share. Indian dairy markets used to be dominated by unorganized players locally and disrupt the entire milk industry in India. The market players need to introduce suitable business development strategy to facilitate growth in its sales. The intension was to know the overall perception in terms of dairy industry.

References

[1]. Y., L., Y., F., & L. (2016). A Modified TOPSIS Method Based on Numbers and Its Applications in Human Resources Selection (Vol. 2016, Article ID 6145196)
[2]. E. (2011). Multiple Criteria Decision Making / University of Economics in Katowice (Vol. 6)
[3]. Robbi Rahim et al 2018 J. Phys.: Conf. Ser. 1028 012052
[4]. Yoon, K.Paul & Kim, Won. (2017). The behavioral TOPSIS. Expert Systems with Applications. 89. 10.1016/j.eswa.2017.07.045.
[5]. Valamarthi A 2015 Factors Influencing the Students Buying Behavior of Two Wheelers in Tirupur District International Journal of Emerging Research in Management &Technology 4 90-94
[6]. G.R. Jahanshahloo, F. Hosseinzadeh Lotfi, A.R. Davoodi, Extension of TOPSIS for decision-making problems with interval data: Interval efficiency, Mathematical and Computer Modelling, Volume 49, Issues 5–6, 2009, ISSN 0895-7177
[7]. Mardhati Zainal Abidin, Risza Rusli, Azmi Mohd Shariff, Technique for Order Performance by Similarity to Ideal Solution (TOPSIS)-entropy Methodology for Inherent Safety Design Decision Making Tool, Procedia Engineering, Volume 148, 2016, ISSN 1877-7058