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A Study of the Factors Affecting the Marketing of Dairy Products in India

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Abstract: *It is a well-known fact that dairy cooperatives stand as one of the largest and most significant player in the food industry. In the modern era, the dairy industry assumes a crucial role in safeguarding and advancing public health. Its primary mission revolves around providing milk and milk-based products at affordable prices, meeting consumer demands, and addressing their nutritional needs. The overarching objective is the prudent management of national resources to bolster milk production and elevate milk processing through innovative technologies. Marketing assumes a pivotal role not only in fueling production and consumption but also in expediting economic growth. An efficient marketing system reduces costs, enhances returns for farmers by minimizing intermediaries, and curbing marketing system commissions. The prosperity of dairy cooperatives hinges on both internal and external enhancements. These cooperatives should champion the production of pristine milk while simultaneously upgrading supply centres, milk parlours, and milk processing facilities. The present research paper highlights the factors affecting the marketing of dairy milk products.*

Keywords: *dairy products, consumer demands, marketing, dairy farming business, dairy cooperatives, milk parlours.*

INTRODUCTION:

Actually, in the years of 2015-2016, India emerged as the global leader in milk production, with an impressive output of approximately 155.5 million tonnes. This remarkable achievement signifies that India contributes over 18.5% of the world's total milk production, cementing its status as the foremost producer. Furthermore, India stands as the world's largest consumer of dairy products fully utilizing its extensive milk production. Dairying has been recognized as a pivotal economic activity capable of addressing issues like poverty and unemployment, particularly in regions prone to droughts and reliant on rain-fed agriculture. In India, a significant portion of the population, roughly three-fourths, resides in rural areas, with around 38% of them grappling with poverty. Hence, within this demographic, as well as among the substantial vegetarian segment of the country's populace, dairy products serve as a vital source of nutrition and animal protein for millions. Milk, often touted as nature's most complete food, takes centre stage in this nutritional landscape, and dairy products are heralded as some of the most nourishing foods available. The conventional understanding of milk's role has expanded significantly in recent years, transcending its traditional role as a sustenance source for infants. Today, milk is acknowledged for its broader significance, encompassing not only the promotion of healthy growth in children but also the sustenance and well-being of adults. Beyond its core proteins, casein and whey, milk is a reservoir of biologically active compounds. These compounds play pivotal roles in human physiology, biochemistry, metabolism, nutrition, and overall health. Numerous studies have validated the beneficial effects of these compounds on human well-being and nutritional balance.

What is Marketing?

The "marketing concept" posits that for an organization to achieve its objectives, it must foresee the needs and desires of potential consumers and outperform its competitors in satisfying them. While this concept traces its origins back to Adam Smith's "The Wealth of Nations," it didn't gain significant traction until nearly two centuries later. Marketing and the Marketing Concept share a close and interrelated relationship. Marketing is a multifaceted process encompassing the exploration, creation, and delivery of value to satisfy the demands of a target market for goods and services. This process involves a range of activities, including identifying a target audience, highlighting specific attributes or themes in advertising, executing advertising campaigns, participating in trade shows and public events, designing products and packaging to appeal to buyers, establishing sales terms such as pricing, discounts, warranties, and return policies, strategically placing products in media or with influencers who influence others' buying decisions, forming partnerships with retailers, wholesalers, or resellers, and striving to build brand awareness, loyalty, and positive brand perceptions. Typically, marketing responsibilities fall to the seller, often a retailer or manufacturer. In some cases, businesses may contract specialized marketing firms or advertising agencies for these tasks. In less common scenarios, a trade association or government agency, like the Agricultural Marketing Service, may promote an entire industry or location, focusing on specific products such as "Goat Milk?," regional food offerings, or marketing a city or region as a tourism destination.

THE RESEARCH OBJECTIVE:

The research paper explains the market and marketing strategies used by the sellers to increase the sale of their product. The paper attempts to understand the vicissitudes of the market. To highlight this specific product i.e. milk has been taken as an object of analysis.

RESEARCH METHODOLOGY:

This paper is descriptive in its approach. For this purpose, the secondary data has been used to argue the theme of the paper. To pace the study, the researcher has also used some observational facts.

MARKETING OF MILK PRODUCTS:

All of us know that milk holds a vital place in human nutrition, widely acknowledged for its abundance of vitamins, minerals, fats, proteins, and more. It is a favoured choice for consumption due to its nutritional value. There exists a variety of sources for milk, and it undergoes processing to yield an array of dairy products such as cream, butter, yoghurt, kefir, ice cream, and cheese. In modern industries, milk is employed to derive components like casein, whey protein, lactose, condensed milk, powdered milk, and various other food additives and industrial materials. Consumers, individuals who purchase goods and services, are central figures in the world of marketing. For marketers, deciphering the motivations behind consumer actions, or inactions, poses significant challenges. This understanding is vital, as it provides insight into what matters to consumers and the factors that influence their decision-making processes. The myriad of factors that influence consumer purchasing decisions is intricate and deeply rooted in psychology, sometimes intertwined with sociological elements. These influences encompass not only personal factors but also external ones, including those stemming from family, friends, and society at large. Milk and its derivatives are crucial sources of nutrition for people across various demographics and also serve as a source of livelihood for numerous small and marginal farmers. In states with a strong agricultural focus, a substantial proportion of farmers own cattle, and dairying has emerged as a significant income source alongside traditional agriculture.

In the present time, in India, approximately 75,000 dairy cooperative societies operate across the country, boasting a membership of 10 million. More than 10 million households participate in milk production within the cooperative sector. However, with the exception of the renowned 'Amul' brand, most state federation brands remain regional, like 'Verka' in Punjab, 'Nandini' in Karnataka, 'Vijaya' in Andhra Pradesh, 'Saras' in Rajasthan, 'Anchal' in Uttarakhand, 'Mother Dairy' in Delhi and Kolkata, 'Parag' in Uttar Pradesh, and 'Sanchi' in Madhya Pradesh. Dairy cooperatives wield significant influence in marketing

processed liquid milk nationwide. Consequently, manufacturers, processors, and marketers must comprehend the roles these various dimensions play in driving consumer demand for dairy products, recognizing that consumer preferences and perceptions of dairy product quality can be diverse. Here some of the factors affecting the marketing of milk products are as following:

- **Dairy Farmer's Ability to Plan:** Strong planning skills can resolve or preempt most common issues encountered during the early stages of entrepreneurship development. This distribution may be attributed to the emphasis placed by dairy farmers on activities that promise a stable income in the future. Therefore, a farmer's ability to plan the marketing of his/her dairy products can be helpful in increasing his business.
- **Communication Skill:** Communication represents a foundational skill which. The moderate level of communication skills observed in the majority of entrepreneurs might be linked to their moderate engagement in various social and extension activities.
- **Effective and more Vibrant Attitude of Dairy Farmers:** Businesses thrive on the dedication, expertise, and vitality of entrepreneurs. Striking the right balance among these elements is crucial for nurturing business expansion. Even in the face of adversity and obstacles, maintaining a positive outlook can have a profound impact on yielding the most favourable results. Dive into this article to gain insights into the advantages of a positive mindset in business and uncover strategies for sustaining optimism and confidence throughout your journey.
- **Level of Self-Confidence:** Self-confidence is the belief an individual holds in their own ability to successfully complete tasks or tackle challenges. In this particular study, the majority of dairy farmers (53.30%) possessed a moderate level of self-confidence. Meanwhile, one third of the dairy farmers (33.30%) exhibited high self-confidence, while 13.40 percent had a lower level of self-confidence. This higher level of self-confidence among some dairy farmers could potentially be attributed to their moderate levels of achievement, motivation, decision-making skills, and willingness to embrace new approaches, along with their greater inclination toward risk-taking.
- **Consumer Behaviour:** A deeper exploration of consumer behaviour unveils how individuals allocate their resources—whether it be time, money, or effort—toward consumption-related choices. This encompasses what they purchase, why they opt for specific items, when and where they make purchases, how frequently they use these products, their evaluations post-purchase, the influence of these evaluations on future buying decisions, and how they dispose of acquired products.
- **Decision-making Process:** The decision-making process commences well before the actual acquisition of products. Initiatives in dairy development play a pivotal role in augmenting the income of rural communities. Presently, unorganized milk traders pose formidable competition to the organized milk sector. Consequently, organized milk marketing faces the dual challenge of attracting more producer-sellers by offering competitive prices while aiding producers in increasing milk production. Cooperatives empower their members by providing bargaining power, equitable transactions, and support to enhance dairy business productivity. However, cooperatives grapple with issues such as low literacy among member-farmers, limited ownership of productive assets, lack of access to credit and finance, and inadequate training facilities.
- **Transportation Facility:** Transportation is a significant contributor to the economy and a vital competitive factor in the business world. It serves as the physical bridge that connects businesses to their supply chain partners, such as suppliers and customers, and has a substantial influence on customer satisfaction with the company. It is of the utmost importance for the farmers to have a robust and precise transportation system.
- **Advertisement of Products:** Farmers should utilize advertising to accomplish their objectives, and for better results must distribute their advertisements across diverse media channels. In addition to showcasing products through traditional outlets like newspapers and general-interest magazines, farmers can also employ media that can reach

specific target markets. For example, a mobile communications device might be promoted on a social media platform that predominantly appeals to younger audiences. Advertisements crafted with precision are instrumental in advancing their business.

- **Supply System:** Supply chain management involves the comprehensive management of the movement of goods and services, from their origin as raw materials to their ultimate transformation into finished products. This encompasses all the intricate processes necessary for delivering products to customers, with shipping being a vital component of this endeavour. Therefore it is necessary that the framers develop a well functioning and smooth supply system.
- **Facility of Storage:** The storage facility in the dairy business is the most important aspect of the business. The objectives of the storage facility are given below:
 1. To enable the consolidation of raw milk supplies for consistent composition.
 2. Ensuring uninterrupted processing operations.
 3. Simplification of the standardization of milk.
 4. To preserve milk at a low temperature to prevent quality degradation before processing or manufacturing.

CONCLUSION:

Now we can point out that the price of milk has emerged as the primary factor affecting the volume of milk business, in addition to production levels. Additionally, the establishment of milk cooperative societies in rural areas has a positive impact on the income of rural communities. Actually, the vendors also play a significant role as intermediaries in the marketing of milk products. A major factor contributing to losses in cooperative milk plants in the marketing of fluid milk may be identified as the underutilization of plant capacity. Actually, storage facilities in rural areas have emerged as a great problem. Therefore, the government should provide storage facilities to the dairy farmers.

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