# Dynamics of Consumption, Decision and Preferences in Branded Dairy Sector in India

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**Abstract**

The study explored the dimensions of consumption characteristics, decision aspects, and consumer predilection to determine the mechanics of the dairy industry that is experiencing a marked transformation concerning indigenous players, and new and potential entrants besides expansion in product categories. The results of the study entailed that consumers' awareness is at rock bottom regarding the presence of branded dairy marketers and they are ignorant of different categories of dairy products available in the market. The marketers must escalate the communication efforts to enter the consideration set of buyers. A thorough understanding of the target market through marketing research is pivotal to gaining acquaintance with the food habits of the market which is indispensable for devising elegant communication strategies. The time is ripe enough for the indigenous marketers to gear up and intensify the marketing campaign else they may be knocked out by foreign dairy companies who have already started making inroads into the Indian dairy market.

**Keywords:** Branded Dairy, Consumption, Preference, Consumer

## 1. INTRODUCTION

The Indian dairy industry is exposed to both grave challenges and newfound opportunities. The hither to strife-free dairy industry in India is characterized by fierce competition intensifying with the entry of global players, national corporate goliaths, and regional and national startups that are introducing innovative products at excitable pace. The most frantic activities were spotted in the milk and dairy products category in the last few years. According to industry estimates, about 48 percent of the national milk production goes into self-consumption by the producers or sold in retail to non-producers in rural areas. The residual, 52 percent of the milk is marketable surplus, sold mainly to consumers in urban areas. As per the 2018-19 data, out of the total 3,210 lakh kg of milk produced in the country, the organized sector's contribution is meager 34 percent, i.e.,1,080 lakh kg, while the unorganized sector contributes 2,130 lakh kg per day. The organized space is split down the middle between cooperatives and private dairies. Pareek et al. (2022) The pioneers of Indian dairy industry since 1970, the cooperatives, were chiefly focusing on basic dairy products like milk, butter, processed cheese slices, and ice cream and largely ignored the value-added products of late, until the new indigenous and multinational players inundated the market with innovative products thereby bridging the gap between industry offering and customer value expectations. Moreover, evolving family patterns and rising disposable income in India led to affluent, time-starved, and single-person households demanding value-added products. The mindfulness of consumers regarding the quality and nutrition of food products has been on the rise lately which mainly was an offspring of escalating health awareness and concern post-pandemic. It has skewed consumer preferences towards packaged milk and milk products in comparison to lose milk supplied by local vendors.

The paper seeks to investigate and comprehend the dynamics of consumption, decisions, and preferences of consumers in the branded dairy industry. It is important to study factors stimulating and influencing consumer consumption and decisions while purchasing dairy products. An insight into brand preferences category-wise gives a concrete picture of branded dairy in India and serves in devising market strategies for individual marketers. The study augments the marketer’s knowledge about the behavior of dairy consumers thus facilitating an effective marketing plan.

## 2. LITERATURE AND RESEARCH FRAMEWORK

Hawkins et al (2007) held that "All marketing decisions are based on assumptions and knowledge of consumer behavior". Esmerino et al., (2017) found consumer decision-making to be an intricate process and rated consumer preferences as inexplicable. Consumption decision of food products is affected by sensorial and extra-sensorial factors thereby making it unarguably complicated. Understanding consumer decisions and preferences is rudimentary to succeed in the dynamic dairy industry. Kumar and Babu (2014) held that consumers judge dairy products based on afferent aspects viz. taste or aroma, healthiness, comfort traits, and process attributes like organic, animal welfare, or genetic modification. Kubicova and Kadekova (2012) said that the quality of food can be evaluated post-consumption. Further, Singh and Kathuria (2016) linked the income of the consumer with the quality of the product purchased and opined that poor quality, unhealthy and non-branded food is purchased by lower-income groups. Singh et al. (2021) said that acquaintance with the customer choices increases competitiveness of the marketers. Marketers will surpass the customer expectations, but the prerequisite is high degree of customer knowledge and understanding. Identifying and analyzing the diversity of consumer preferences is central to scheming tactful market strategies. According to Hille et al. (2019), understanding consumer characteristics is vital to achieve differentiation in marketplace related to product and service to concur with consumer value expectations. Kaenzig et al. (2013) recognized that excellence in understanding consumers is the key to mapping the product portfolio to consumer choices.

A tremendous transformation is befalling the dairy sector due to new players entering the industry and an influx of value-added products introduced to cater to the unmet needs of the consumer in the industry (Pareek et al. 2022). A sample of 500 respondents who purchased branded dairy items was selected from Uttar Pradesh to identify the consumption patterns, decision facets, and brand preferences of the branded dairy consumers. Data was collected through an online questionnaire comprising 34 items personally administered by the researcher.

## 3. RESEARCH METHODOLOGY

A sample of 1200 respondents who purchased branded dairy items was selected from six cities of Uttar Pradesh, the highest milk-producing state in India, to identify the consumption pattern, decision facets, and brand preferences of the branded dairy consumers in tier 2 cities. Tier two cities are selected for this study as according to reports in tier two towns private vendors command the supply to consumer households. However, the tier two cities if strategically catered to may prove to be very promising for the branded dairy companies on account of multiple reasons viz. increase in consumer disposable income, heightened awareness, and growing trust among consumers in branded dairy, first mover advantage, etc. The six cities selected for the purpose were based on the population size as per the estimates of 2023. The cities in order of population are Lucknow (28,17,105 lakh), Kanpur (27,65,348 lakh), Ghaziabad (16,48,643 lakh), Agra (15,85,704 lakh), Meerut (13,05,429 lakh) and Varanasi (11,98,491 lakh). The area covered under the study in each city was within a radius of 6 km from the heart of the city to ensure that the actual picture of branded dairy consumption is captured by deliberately excluding rural areas from the purview of the study. The rural areas are the milk producers and hence there is hardly any demand for branded dairy in rural areas and these loose sellers compete with the branded dairy companies in urban areas too. The Data was collected through an online questionnaire comprising 34 items administered by the researcher. Out of the 1200 respondents' responses were received from 1100 respondents. Further, out of 1100, 100 respondents were screened out based on their answer (NO) to the screener question enquiring "Do you consume branded dairy". Thus, the effective data collected was 1000.

The data was collected during four months ranging from 20th Nov 2020 to 20th March 2021 owing to twin reasons. One, to ensure that festive sales may not inflate or distort the actual consumption figure of branded dairy, the timeline selected was from post-Deepawali to pre-Holi. Second, to isolate the effect of the pandemic on dairy consumption, the data was collected when the pace of the pandemic significantly slowed down in the country before setting off the second wave in the last week of March 2021. After mid of September 2020 the cases began to decline and reached the lowest on 1st Feb 2020 with new cases reported 8635 with a 7-day average of 12772. The cases reported remained on the lower side till the first week of March 2021 after that a gradual surge was witnessed and later led to the second wave in the country.

## 4. RESULTS AND DISCUSSIONS

### 4.1 Consumption Dynamics of Branded Dairy Consumers

Customer knowledge is the opening move to marketing victory, especially when the industry is undergoing a major overhaul due to the influx of new players, varying customer needs, and shifting consumer priorities. The first step to designing an effective marketing strategy to ace the competition is to be familiar with the customer. To understand the consumption dynamics in the branded dairy sector, a field analysis was conducted, and information was collected as regards average monthly expenditure on dairy, purchase frequency, frequently purchased branded dairy products, and consumption pattern of branded dairy products.

### 4.2 Average Monthly Expenditure on Dairy Products

Consumer monthly expenditure on a product analyzed in light of average monthly income indicates the significance of a specific purchase decision. According to Belch & Belch (2009), alternative search and evaluation of low-ticket items command minimal consumer effort. Alternatively, the higher the importance of a purchase, the more compounded the decision-making becomes for the consumer. As per Hoyer (1984) for unimportant products, consumers do not employ much effort for decision making.

The respondent’s monthly expenditure on dairy products was recorded in six expenditure ranges. It was found that 23% of the respondents spent below Rs. 500, and 32% spent Rs. 500-Rs. 1000 on branded dairy products, 28% spent in the range of Rs. 1000-Rs. 1500, 8% spent in the range of Rs. 1500-Rs. 2000, 6% spent more than Rs. 2500, and 3% spent in the highest range of Rs. 2000-Rs. 2500.

The majority (around 80 percent) of the consumers spend a small monthly amount (less than Rs 1500) on dairy products, figures obtained were baffling given the indispensability of dairy in Indian households. It is widely known that dairy products are pivotal to Indian food culture.

**Table 1**

| Money spends on branded dairy product in a month. | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Below Rs. 500 | 115 | 115 | 23% |
| Rs. 500-Rs. 1000 | 160 | 275 | 32% |

| | | | |
|---|---|---|---|
| Rs. 1000-Rs. 1500 | 140 | 415 | 28% |
| Rs. 1500-Rs. 2000 | 40 | 455 | 8% |
| Rs. 2000-Rs. 2500 | 15 | 470 | 3% |
| More than Rs. 2500 | 30 | 500 | 6% |
| Total | 500 | | 100% |

### 4.3 Purchase Frequency

Frequent customers exhibit higher brand and store loyalty compared to irregular or infrequent customers (Bawa and Ghosh 1991). Hence, it is imperative to understand the composition of frequent and infrequent buyers in the industry.

To understand the frequency of purchase, dairy consumers were enquired “Are you a regular customer of branded dairy products? When respondents were enquired about being regular consumers, 58% out of the total consumers were regular and the rest were occasional buyers who purchased when certain intermittent needs emerged because of events like festivals, unforeseen situations like guests, or regular products going stale, especially in cases of milk or any other such reason. The finding typically shows that consumers are still not considering branded dairy as a way of life. Consumers prefer and depend on local milkmen for the supply of their dairy needs.

**Table 2**

| Regular Customer of Branded Dairy product | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Yes | 290 | 290 | 58% |
| No | 210 | 500 | 42% |
| Total | 500 | | 100% |

### 4.4 Frequently purchased branded dairy Products

The researchers were fascinated to unveil the product categories most frequently purchased from branded dairy marketers. In the course, the respondents were asked "which product do you often purchase in branded dairy"? Milk had the highest frequency of 71 percent, followed by buttermilk with a frequency of 15 percent, curd with a frequency of 7 percent, and only 4 percent for Paneer. It was observed that the most frequently purchased product in branded dairy was milk. This clearly shows that although dairy companies are competing on a larger plane with the introduction of value-added products like yogurt and mithai, consumers are not recurrently purchasing common dairy products like curd and paneer from branded dairy sellers. Yet, consumers prefer homemade curd and obtain paneer from local dairies instead of branded products. The basic reason behind the purchase pattern observed was, as said by respondents, that they do not trust the quality of packaged Paneer and Curd. They would prefer fresh homemade items as against packaged dairy items, which they have an unfaltering belief of being laden with preservatives for longer shelf life and to keep the freshness intact.

**Table 3**

| product consumers often purchase in branded dairy | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Milk | 355 | 355 | 71% |
| Butter milk | 75 | 430 | 15% |
| Curd | 35 | 465 | 7% |
| Paneer | 20 | 485 | 4% |
| Ghee | 15 | 500 | 3% |
| Total | 500 | | 100% |

### 4.5 Consumption pattern of different Dairy products

An analysis of consumption pattern of branded dairy products was taken up to have a comprehensive understanding into the dairy consumer behavior to get a picture of which product categories are dominating the branded dairy sector and where the local sellers command the market.

#### 4.5.1 MILK

When consumers were inquired about the frequency of consumption of branded milk on the eleven different scales, it was found that 29% of respondents consumed milk once a day. 15% consumed milk three-four times per week. Respondents who consumed five-six times per week and two-three times per month have a frequency of 13% followed by 8% for 1-2 times per week, 7% for one time a week, 6% for always. A frequency of 4% was observed for both consumers who consumed two to three times per day and who never consumed branded milk. Only 1% of consumers consumed four-five times per day, and none of the consumers was found to consume six or more times per day.

A meager six percent of consumers consumed branded milk indicating that the branded milk sector has a complete dearth of regular and loyal customers. The majority do not consume branded milk regularly. This corroborates with the previous finding that consumers purchase branded dairy occasionally and branded milk has still not been able to make inroads in Indian houses even though milk is a staple in every household. Besides those 4 percent who never consumed branded milk is a sign of alarm as this reflects that the reach of branded milk is very poor in the region. The 29 percent of consumers who consume branded milk at least once a day are regular consumers and may act as an ambassador. This is a positive pattern which when seen in light of “people's opinion being ranked second in influencing purchase decision” may mean more new consumers may join the bandwagon of branded milk lovers.

**Table 4**

| Consumption Pattern of Milk | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Never | 20 | 20 | 4% |
| 1 time per month | 35 | 55 | 7% |
| 2-3 time per month | 65 | 120 | 13% |
| 1-2 time per week | 40 | 160 | 8% |
| 3-4 time per week | 75 | 235 | 15% |
| 5-6 time per week | 65 | 300 | 13% |
| 1 time per day | 145 | 445 | 29% |
| 2-3 time per day | 20 | 465 | 4% |
| 4-5 time per day | 5 | 470 | 1% |
| 6 or more times per day | 0 | 0 | 0% |
| Always | 30 | 500 | 6% |
| Total | 500 | | |

### 4.5.2 Butter Milk

Respondents were enquired about the frequency of consumption of branded buttermilk on a scale of 10 and it was found that 21% of the respondents consumed buttermilk one-two time per week. The frequency of respondents who consumed once a month and two-three times per month was same i.e., 19 percent.  16 percent of the respondents never consumed branded buttermilk. 11 percent of the sample studied consumed buttermilk once a day.  3-4 times per week and 5-6 times per week together was 11 percent of the sample. Respondents consuming branded buttermilk more than 2 times per day was a meager 2 percent of the sample selected for the study.

The data stipulates the gloomy market acceptance and consumption of branded buttermilk. A very small percent (11 percent) were the regular users of the branded buttermilk. Also, few respondents consumed the branded buttermilk more than once a day, but again the percentage of such consumers was very little. Furthermore, sample also included the consumers who never consumed the branded buttermilk, showing the low acceptance among the consumers. On being enquired about the reason for never trying branded buttermilk the respondents revealed that, packaged buttermilk was not a very good thing to buy as they were not very sure of the quality and nutrition offered. Also, they were wary of the preservatives that might be added to keep buttermilk fit for consumption for long days. Majority of the consumers (around seventy percent) were occasional buyers, buying for the sake of novelty, trail, peer pressure, or just casually.

**Table 5**

| Consumption Pattern of butter milk | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Never | 80 | 80 | 16% |
| 1 time per month | 95 | 175 | 19% |
| 2-3 time per month | 95 | 270 | 19% |
| 1-2 time per week | 105 | 375 | 21% |
| 3-4 time per week | 35 | 410 | 7% |
| 5-6 time per week | 20 | 430 | 4% |
| 1 time per day | 55 | 485 | 11% |
| 2-3 time per day | 5 | 490 | 1% |
| 4-5 time per day | 5 | 495 | 1% |
| 6 or more times per-day | 5 | 500 | 1% |
| Total | 500 | | 100% |

### 4.5.3 Curd

When consumers were inquired about the frequency of consumption of branded curd on the eight different scales, it was found that 25 percent of respondents consumed branded curd one to two times per week. Further, it was found that 22 percent of respondents consumed two-three times per month, 19% respondent consumed curd once a month. A frequency of 10 percent was found for categories who consumed three-four times per week, one time per day and never. Respondents consuming five-six times per week were 3 percent and respondents who consumed two or more times per day were 1 percent.

The data reflected that a very small percentage of people were regularly buying branded curd. The percentage of daily users was only one-tenth of the sample studied and the same was the ratio of consumers who never purchased the branded curd. Thus, reflecting low acceptance in the market and indifference towards branded curd among consumers. An acceptable percentage of consumers were frequently purchasing the branded curd around 35 percent but was less than occasional buyers (buying 1-3 times in a month) which was 41 percent of total respondents. This demonstrates that branded curd is not so very popular among the customers and marketers have to put in vigorous efforts to enter the consideration set of buyers. Analysis revealed that consumers preferred homemade curd over branded one apparently citing safety, trust and quality reasons.

**Table 6**

| Consumption Pattern of Amul curd | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Never | 50 | 50 | 10% |
| 1 time per month | 95 | 145 | 19% |
| 2-3 time per month | 110 | 255 | 22% |
| 1-2 time per week | 125 | 380 | 25% |
| 3-4 time per week | 50 | 430 | 10% |
| 5-6 time per week | 15 | 445 | 3% |
| 1 time per day | 50 | 495 | 10% |
| 2 or more time per day | 5 | 500 | 1% |
| Total | 500 | | 100% |

### 4.5.4 Paneer

When consumers were inquired about the frequency of consumption of branded paneer on the eight different scales, it was found that 32 percent of respondents ate paneer two to three times per month. 21 percent frequency was observed for both respondents who consumed one time per month and one-two times per week. 17 percent of respondents never consumed branded paneer. The frequency of consumers purchasing three-four times per week and once a day was found to be 4 percent each. None of the consumers was found to consume 5-6 times per week and two or more times per day.

A very small number of respondents were daily consumers of branded paneer. The regular purchasers were only one-fourth of the sample selected for the study and the majority of consumers were infrequent purchasers reflecting that consumption of branded paneer is not a very popular choice among consumers. It was revealed that paneer was more frequently purchased from local sellers because of its freshness. Consumers opined that branded paneer is hard and they doubted the quality, freshness, purity, and taste of the branded paneer. A very disappointing percentage of consumers never used the branded paneer demonstrating the failure of the marketers in winning even trial purchases.

**Table 7**

| Consumption Pattern of Paneer | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Never | 90 | 90 | 18% |
| 1 time per month | 105 | 195 | 21% |
| 2-3 time per month | 160 | 355 | 32% |
| 1-2 time per week | 105 | 460 | 21% |
| 3-4 time per week | 20 | 480 | 4% |
| 5-6 time per week | 0 | 480 | 0% |
| 1 time per day | 20 | 500 | 4% |
| 2 or more time per day | 0 | 500 | 0% |
| Total | 500 | | 100% |

### 4.5.5 Ghee

The frequency of consumption of Ghee was evaluated on eight different scales. It was observed that 26 percent of the respondents never consumed branded Ghee. It was followed by 16% frequency for both respondents who consumed once a month and respondents who consumed once a day. Further, 13 percent respondents consumed two-three times per month, 11% of the respondents consumed one to two times per week, 9% two or more times per day, 7% consumed five-six times per week, and only 3% consumed three-four times per week.

The analysis of the data clearly shows that one-fourth of the respondents consumed branded ghee regularly as against an equal chunk of the respondents who never purchased the branded ghee. Regular consumption of branded ghee is on the higher side compared to other dairy products but the figure is not very impressive in light of the large prospective market for Ghee in India spurred by food preferences of Indian consumers. Close analysis revealed that those who never purchased branded ghee were those who relied on local dairies or those who prepared their ghee at home cause of mistrust on commercial sellers of ghee and fear of adulteration. Frequent buyers of branded ghee were more or less equal to the occasional buyers and constituted a big share of the market. These buyers comprised of the households who purchased ghee for special occasions like festivals, religious ceremonies, or certain family get-togethers partly because of the cultural trend of Ghee consumption in India and partly due to the proliferation of branded ghee marketers like Amul, Mother Dairy, Patanjali, Brittania, Nestleetc popularizing health benefits of Ghee consumption and stressing the potential dangers of refined oil and refined ghee consumption on human bodies.

**Table 8**

| Consumption Pattern of Ghee | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Never | 130 | 130 | 26% |
| 1 time per month | 80 | 210 | 16% |
| 2-3 time per month | 65 | 275 | 13% |
| 1-2 time per week | 55 | 330 | 11% |
| 3-4 time per week | 15 | 345 | 3% |
| 5-6 time per week | 35 | 380 | 7% |
| 1 time per day | 80 | 460 | 16% |
| 2 or more time per-day | 40 | 500 | 8% |
| Total | 500 | | 100% |

The consumption pattern of product categories exposed the blatant reality that despite of incessant efforts of marketers, branded dairy has still not made inroads in consumer households. The branded milk experiences a dearth of regular and loyal customers and has a poor reach in the region. Branded Buttermilk suffers from low acceptance and a very small number of regular buyers. Consumers purchased infrequently spurred by the need for novelty, trial, peer pressure, or just casually. The consumers preferred homemade curd over branded one citing safety, trust, and quality reasons, and dynamic marketing efforts are solicited for slipping branded curd into consumer's consideration set. The consumption of branded Paneer is not a very popular choice among consumers either, as consumers persistently doubt the quality, freshness, purity, and taste of the branded Paneer. Although regular consumption of branded ghee is on the higher side compared to other dairy products but figure is not very impressive in light of the large prospective market for Ghee in India. The mistrust of commercial sellers of ghee and fear of adulteration were the roadblocks to branded ghee consumption.

An investigation into consumption patterns revealed that the main reasons obstructing the consumption of branded dairy products were low reach, doubt about the quality and nutrition, fear of adulteration, and preservatives.

### 4.6 Consumer Decision Dynamics in Branded Dairy Purchase

Numerous scholars established the models of consumer behavior to recognize the components and complexities of consumer behavior. However, a universally acknowledged component in every model was consumer decision dynamics. The consumer's process of searching information and evaluating information for eventual purchase decisions is central to all the models of consumer behavior.

Millennials who are exposed to multiple sources of information consume information on several social media platforms and are also influenced by peers. The marketer must adjudge how information is guzzled by this demographic to deliver the right marketing message that appeals to them (Johson, 2014).

### 4.7 Influencers

To understand the influencers in consumer decisions for dairy products, the respondents were enquired about "who influences their buying decision". The majority i.e., 61 percent said they decide on their own while 35 percent were influenced by family members while deciding the purchase of dairy. Peer influence is minuscule as merely 4 percent of respondents said that their friends influenced the choice of dairy brand. Family members and individual decisions dominate the decision-making in branded dairy and social media and peer influence have a minimal role to play.

**Table 9**

| Influencers in purchasing branded dairy product | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Self | 305 | 305 | 61% |
| Family | 175 | 480 | 35% |
| Friends | 20 | 500 | 4% |
| Other (social media, Shopkeeper) | 0 | 500 | 0 |
| Total | 500 | 100 | |

### 4.8 Decision Maker

The researcher to gain a better understanding of consumer decision-making in the branded dairy sector enquired from the respondents directly "Who makes buying decisions?". The responses generated were in contrast to the commonly held assumption that women are the decision-makers in food items. It was found that in 40% of families, fathers made a decision. In 33% of families' mothers made buying decisions, only 4 % of families' children made purchasing decisions, and in 23% of family's others made buying decisions. These others included relatives living in the house and household help. Father played a major role in the final decision-making.

**Table 10**

| Buying decision | Frequency | Cumulative Frequency | Percentage |
|---|---|---|---|
| Father | 200 | 200 | 40% |
| Mother | 165 | 365 | 33% |
| Children | 20 | 385 | 4% |
| Others | 115 | 500 | 23% |
| Total | 500 | | 100% |

### 4.9 Factors affecting the purchase of branded dairy products

When consumers were asked to rank 13 factors that affect the buying of dairy products, the highest-ranked factor was found to be the opinion of other people. The second rank was given to the food habits of the society. The third rank was given to packaging, attractive color, and fat content in the product. Next in the row were the Brand image and financial condition of the consumer. The result showed that the food habits of the society majorly influenced dairy products. The marketers need to understand the food culture of the region to ensure effective reach to the customer. Also, the color which indicated purity, and packaging which ensured safety and freshness were also given importance by the consumers. Fat content in the product also impacted consumer purchases as today's consumer is more aware and concerned about health. Quality of the product (as it is difficult to evaluate before consumers purchase the product), price (as dairy is a low-ticket item), and flavor (as dairy branded or local has a generic flavor) had the least influence on the purchase of dairy items.

**Table 11**

| | Strongly disagree | Disagree | Neutral | Agree | Strongly Agree | Total | Rank |
|---|---|---|---|---|---|---|---|
| Food habits of society | 79 | 44 | 138 | 174 | 65 | 1398 | 2 |
| Consumer's financial condition | 93 | 14 | 36 | 193 | 164 | 831 | 13 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Consumer’s family | 68 | 37 | 59 | 224 | 112 | 1225 | 8 |
| People’s opinion | 76 | 76 | 121 | 182 | 45 | 1456 | 1 |
| Quality of product | 77 | 15 | 31 | 146 | 231 | 1061 | 12 |
| Colour of product | 54 | 46 | 138 | 185 | 77 | 1315 | 4 |
| Flavour of product | 54 | 38 | 62 | 200 | 146 | 1154 | 11 |
| Fat content of product | 45 | 53 | 129 | 197 | 76 | 1294 | 5 |
| Brand image of product | 69 | 38 | 85 | 208 | 100 | 1268 | 6 |
| Price of product | 54 | 31 | 77 | 223 | 115 | 1186 | 9 |
| Safety of product | 85 | 15 | 39 | 192 | 169 | 1155 | 10 |
| Attractive packaging of product | 54 | 54 | 115 | 208 | 69 | 1316 | 3 |
| Bad experience with the previous brand | 99 | 15 | 76 | 136 | 174 | 1229 | 7 |

### 4.10 Satisfying Attributes of Branded Dairy Products

To recognize what contributed to the satisfaction of the consumers as regards branded dairy products, respondents were asked to rate their satisfaction on four different levels of satisfaction for six parameters of dairy products. It was found that the highest level of satisfaction was from the quality of branded products followed by taste, availability, package, quantity, and price.

**Table 12**

| Items | Very satisfied | Satisfied | Neutral | Dissatisfied | Very dissatisfied | Total | Rank |
|---|---|---|---|---|---|---|---|
| Quality | 309 | 184 | 7 | 0 | 0 | 2302 | 1 |
| Quantity | 167 | 242 | 91 | 0 | 0 | 2076 | 6 |
| Price | 146 | 254 | 85 | 15 | 0 | 2096 | 5 |
| Package | 203 | 250 | 47 | 0 | 0 | 2146 | 4 |
| Availability | 205 | 235 | 53 | 7 | 0 | 2153 | 3 |
| Taste | 305 | 180 | 15 | 0 | 0 | 2290 | 2 |

Studying Consumer decision dynamics in the branded dairy sector revealed that the decision-making in the branded dairy sector orbit around individual and family members wherein social media and peer influence have a minimal role to play. The male head of the family (father) played a major role in the final decision-making. The results hinged that food habits of the society majorly influenced the dairy products making it imperative for the marketers to assimilate the food culture of the region to successfully reach out to the customer. The color which indicated purity and packaging which ensured safety & freshness had significantly influenced the consumer decision making. Additionally Fat content of the dairy product had considerable influence on consumer purchase on account consciousness in society. As regards branded dairy, consumers drew maximum satisfaction from the quality of products followed by taste, availability, package, quantity and price.

### 4.10.1 Brand Preference of Dairy Products

The dominant players in the Indian dairy sector are Amul, Mother Dairy, Parag Milk Foods, Danone Food and Beverages India, Nestle India, ITC Foods', Nandini, Prabhat Dairy, Sarda Dairy Farms, Gyan Dairy, Paras Dairy, Shyam Dairy Products, Umang Dairy product, Blissfresh, Murginns, and multinational Groupe Lactalis SA. Brand preference for different dairy products in the study area was measured by asking the respondents to rate their preferences from a list of dairy brands for each dairy item. The brands listed for the study were Patanjali, Amul, Mother Dairy, Namaste India, Parag, and Gyan. These brands were selected based on a qualitative approach wherein a sample of 50 respondents was asked to recall brands of milk available in the area under study. It was assumed that brands falling in the awareness set could be selected to study the preferences of the consumer. Data collected for each dairy product is presented here under.

### 4.10.2 Brand Preference for Milk

Consumers were asked to rate different brands based on their preference. It can be inferred from consumer rankings that Amul was the most preferred brand with its nearest competitor being Patanjali followed by Mother Dairy, Parag, Gyan and Namaste India. As per the analysis 75 percent of the consumers' preference was concentrated with two brands Amul and Patanjali, and only 25 percent of the consumers had their preference with other brands. Amul was found to be the most consumed brand and Namaste India was least preferred as per the results of the study.

**Table 13**

| Brand preference for milk | Frequency | Cumulative Frequency | Percentage | Rank |
|---|---|---|---|---|
| Gyan | 20 | 20 | 4% | 5 |
| Amul | 200 | 220 | 40% | 1 |
| Patanjali | 175 | 395 | 35 % | 2 |
| Namaste India | 20 | 415 | 4% | 6 |
| Mother Dairy | 60 | 475 | 12% | 3 |
| Parag | 25 | 500 | 5% | 4 |

| | | | | |
|---|---|---|---|---|
| Total | 500 | | 100% | |

### 4.10.3 Brand preference for buttermilk

Consumer preference for different brands of buttermilk listed for the study purpose was measured. It can be inferred from the data collected that 42% of the consumer preferred Amul followed by 40 percent consuming Patanjali. It is evident from the figures obtained that 82 percent of the consumers preferred Amul and Patanjali. Thus, in buttermilk these two companies are the arch rivals competing closely for the consumer’s attention. Other known brands viz. Mother Dairy, Namste India, Gyan and Parag controlled a small share of the market from consumer preference perspective. Mother Dairy was most preferred amongst these brands attributed to its national image.

**Table 14**

| Brand preference for Butter milk | Frequency | Cumulative Frequency | Percentage | Rank |
|---|---|---|---|---|
| Gyan | 5 | 5 | 1% | 5 |
| Amul | 215 | 220 | 43% | 1 |
| Patanjali | 205 | 425 | 41 % | 2 |
| Namaste India | 5 | 430 | 1% | 5 |
| Mother Dairy | 50 | 480 | 10% | 3 |
| Parag | 20 | 500 | 4% | 4 |
| Total | | | 100% | |

### 4.10.4 Brand preference for Curd

Consumer preference for different brands of curd selected for analysis was recorded. It was found that Amul and Patanjali were the most preferred brands followed by Namaste India and Mother Dairy with 9% of respondents preferring them. 7% preferred Parag and 4% of the respondents preferred Gyan. Visibly Amul and Patanjali remain the most preferred brands in curd 70 percent of the customers preferring them, and 25 percent of the market is captured by other upcoming brands in consumer preference.

**Table 15**

| Brand preference for Curd | Frequency | Cumulative Frequency | Percentage | Rank |
|---|---|---|---|---|

| | | | | |
|---|---|---|---|---|
| Gyan | 25 | 25 | 5% | 5 |
| Amul | 175 | 200 | 35% | 1 |
| Patanjali | 175 | 375 | 35% | 1 |
| Namaste India | 45 | 420 | 9% | 2 |
| Mother Dairy | 45 | 465 | 9% | 2 |
| Parag | 35 | 500 | 7% | 4 |
| Total | 500 | | 100% | |

#### 4.10.5 Brand preference for Paneer

Consumer preference ranking revealed that Amul is the most preferred brand in this category with 40 percent of consumers preferring the brand over the rest of others in their awareness set. Patanjali was the next most preferred brand with 31 percent of consumers preferring it. Other brands in the category viz. Parag, Gyan, Namaste India, and Mother Dairy were preferred by 29 percent of customers. Amongst the follower brands, Parag was most preferred with 18 percent of consumers preferring it on account of the freshness of Paneer sold by Parag. Namaste India received zero preference from consumers under study.

**Table 16**

| Brand preference for Paneer | Frequency | Cumulative Frequency | Percentage | Rank |
|---|---|---|---|---|
| Gyan | 15 | 15 | 3% | 5 |
| Amul | 200 | 215 | 40% | 1 |
| Patanjali | 155 | 370 | 31% | 2 |
| Namaste India | 0 | 370 | 0% | 6 |
| Mother Dairy | 45 | 415 | 9% | 4 |
| Parag | 85 | 500 | 17% | 3 |
| Total | 500 | | 100% | |

#### 4.10.6 Brand preference for Ghee

Consumer preference for different brands of Ghee was limited to 4 brands. It can be observed that 74% of consumers preferred Amul and Patanjali. The remaining 26 percent of consumers preferred Mother Dairy and Parag.  None of the consumers preferred Namaste India and Gyan.

**Table 17**

| Brand preference for Ghee | Frequency | Cumulative Frequency | Percentage | Rank |
|---|---|---|---|---|
| Gyan | 0 | 0 | 0% | 5 |
| Amul | 200 | 200 | 40% | 1 |
| Patanjali | 170 | 370 | 34% | 2 |
| Namaste India | 0 | 370 | 0% | 5 |
| Mother Dairy | 50 | 420 | 10% | 4 |
| Parag | 80 | 500 | 16% | 3 |
| Total | 500 | | 100% | |

Although the dairy sector is inundated with foreign and national brands fascinated to the unexplored avenues of this sector by hitherto incumbents like Amul and others. But the awareness of the consumers regarding these brands is very low. The consumers were aware about only six dairy brands. The preference of the consumers is largely restricted to Amul and Patnjali in all dairy categories selected for study purposes viz. Milk, Buttermilk, Curd, Paneer, and Ghee. Mother Dairy is the next most preferred brand in milk, Buttermilk and curd, followed by Parag. In product categories of Paneer and Ghee Parag gained preference over Mother Diary. Perceptibly mother dairy and Parag are neck to neck. Namaste India and Gyan are rated very low in consumer preference and especially in Ghee category received zero consumer preference. These two brands are struggling for the market share and much shake out in the industry in evident.

## 5. CONCLUSION

The study explored the dimensions of consumption characteristics, decision aspects and consumer predilection to determine the mechanics of dairy industry that is experiencing a marked transformation concerning indigenous players, new and potential entrants besides expansion in product categories. It’s acclaimed that dairy products are central to food culture in India but the study found that the majority of the consumers spend a meager amount on dairy products. Substantially the consumers rely on local milk suppliers and branded dairy has not received due consideration. Also, it was observed that among different dairy categories under the aegis of branded marketers, consumers chiefly purchased Milk. Other common dairy products like Curd, Buttermilk, and Paneer along with value-added products like Yogurt and Mithai are not recurrently purchased. Yet consumers prefer homemade Curd and obtain Paneer from local dairy instead of branded products. The basic reason behind the purchase pattern observed was, as said by respondents, that they do not trust the quality of packaged dairy and they would prefer fresh homemade as they firmly believe that packaged dairy items are laden with preservatives for longer shelf life and for keeping the freshness intact.

The consumption pattern observed for different product categories revealed that dynamic marketing efforts are solicited for promoting branded dairy products into consumers' consideration set and win consumer preference and loyalty. The distinctive characteristics pointed towards poor reach in the region, low acceptance, and a very small number of regular buyers who purchased infrequently spurred by the need for novelty, trial, peer pressure, or just casually. The consumers preferred homemade dairy citing taste, freshness, purity, safety, trust, and quality reasons. The mistrust of commercial sellers and fear of adulteration blockade the consumption of expensive dairy items like ghee. An investigation into consumption patterns revealed that the main reasons obstructing the consumption of branded dairy products were low reach, doubt about the quality and nutrition, fear of adulteration, and preservatives.

Consumer decision in the branded dairy sector is concentrated around individual consumers and family members wherein social media and peer influence have a negligible influence. Among family members, the male head commands the final decision. The results hinted that to successfully reach out to the customer marketers need to assimilate the food culture of the region. Besides the factors influencing the consumer decisions regarding the purchase of branded dairy were identified as the color which indicated purity, packaging which ensured safety & freshness, and fat content reflecting health consciousness in society. The consumers purchasing branded dairy were satisfied with the quality of products followed by taste, availability, package, price, and quantity.

Although the dairy sector is swamped with foreign and national brands the awareness of the consumers regarding these brands is ground-level since the consumers were aware of only six dairy brands. The preference of the consumers is constrained to Amul and Patnjali in all dairy product categories selected for study purposes viz. Milk, Buttermilk, Curd, Paneer, and Ghee. Mother Dairy is the next most preferred brand in milk, Buttermilk, and curd, followed by Parag. In product categories of Paneer and Ghee Parag gained preference over Mother Diary. Mother dairy and Parag are discernibly in close contents. Namaste India and Gyan are rated very low in consumer preference and especially in the Ghee category received zero consumer preference. These two brands are struggling for survival as per the study and much shake out and transformation in the industry is manifested.

### 5.1 Implications

The results of the study entailed that consumers' awareness is at rock bottom regarding the presence of branded dairy marketers and they are ignorant of different categories of dairy products available in the market. The marketers must escalate the communication efforts to enter the consideration set of buyers. Also, efforts to improve the reach to the target market need to be intensified both in terms of product and promotion. The communication strategy should be skewed towards traditional communication strategies as in dairy role of peer pressure and social media is low. The family must be central to advertising copy as results confirmed the persuasion power of family and majorly male head in purchase decisions related to the source and brand of dairy products.

Extensive promotion efforts need to be ushered in to increase the consumption of dairy products by highlighting the benefits of dairy consumption. Further, the branded dairy sellers must emphasize on quality of packaged dairy especially no chemicals and preservatives to increase the consumption of branded dairy vis-a-vis local dairy suppliers. Strategies to improve the market acceptance of branded dairy are required to be woven around better taste, freshness, purity, safety, trust, and quality. Marketers must focus on attributes like color which indicates purity, packaging which ensures safety & freshness, and fat content which reflects health consciousness in society to gain consumer attention. Further, a need to build upon consumer satisfaction with branded dairy concerning the quality of products, taste, availability, package, quantity, and price. Branded dairy companies should devise tactics to raise the purchase frequency of consumers as study results revealed that consumers are characterized by infrequent consumption of branded dairy. A thorough understanding of the target market through marketing research is pivotal to gaining acquaintance with the food habits of the market which is indispensable for devising elegant communication strategies.

The time is ripe enough for the indigenous marketers to gear up and intensify the marketing campaign else they may be knocked out by foreign dairy companies who have already started making inroads into the Indian dairy market. The research into dynamics of consumption, decisions, and preferences can be furthered by enlarging the scope of study to a bigger geographical area which will assist the marketers in devising the best strategies to gain market acceptance, reach and consumer confidence.

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