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CUSTOMER ATTITUDE TOWARDS AAVIN MILK
Special reference to Trichy

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ABSTRACT

In the organized dairy industry, the cooperative milk processors have a 60% market share. The cooperative dairies process 90% of the collected milk as liquid milk whereas the private dairies process and sell only 20% of the milk collected as liquid milk and 80% for other dairy products with a focus on value-added products. This paper reveals that customer preference towards Aavin products and their satisfaction with special reference to Trichy. Aavin is the largest dairy cooperative movement in India. Due to heavy competition, every organization either medium or big enterprises must appraise their consumer attitude, preference and shifting habit in a periodical manner. It is also noticed that it has generated good amount of retention of existing customers. The general comment from customer side is "Aavin should consider the same quality product in lesser price or more quantity".

Keywords: *Dairy, Aavin milk and customer.*

INTRODUCTION

Dairy industry is of crucial importance to India. The country is the world's largest milk producer, accounting for more than 13% of world's total milk production (Lu Wang *et al.,* 2008). It is the world's largest customer of dairy products, consuming almost 100% of its own milk production. Dairy products are a major source of cheap and nutritious food to millions of people in India and the only acceptable source of animal protein for large vegetarian segment of Indian population, particularly among the landless, small and marginal farmers and women. The total amount of milk produced has more than tripled from 23 million tonnes back in 1973 to 74.70 million tonnes 26 years later in 1998. The tremendous rise in milk production is primarily the fallout of the dairy farming policy reflected in Operation Flood. Following the success of dairy farming policy, the Government has set up a dairy processing policy, reflected in the .Milk and Milk Products Order. In addition, the Government uses a variety of import restrictions to protect its domestic dairy market. The milk processing industry is small compared to the huge amount of milk produced every year. Only 10% of all the milk is delivered to some 400 dairy plants. A specific Indian phenomenon is the unorganized sector of milkmen, vendors who collect the milk from local producers and sell the milk in both, urban and non-urban areas, which handles around 65-70% of the national milk production (Ruth and Drew, 1991 and Sobrino-Lopez and Martin-Belloso, 2008).

Domestic milk consumption: The huge volume of milk produced in India is consumed almost entirely by the Indian population itself, in a 50-50 division between urban and non-urban areas. Increasingly, important customers of the dairy industry are fast-food chains and food and non-food industries using dairy ingredients in a wide range of products. In spite of having largest milk production, India is a very minor player in the world market. India was primarily an import dependent country till early seventies. Most of the demand-supply gaps of liquid milk requirements for urban customers were met by importing anhydrous milk fat / butter and dry milk powders. But with the onset of Operation Flood Programme, the scenario dramatically changed and commercial imports of dairy products came to a halt except occasional imports of very small quantities. In the 1990s, India started exporting surplus dairy commodities, such as SMP, WMP, butter and ghee. The Agricultural and Processed Food Products Export Development Authority (APEDA) regulated the export and import of dairy products till early 1990s. However, in the new EXIM Policy announced in April 2000, the Union Government has allowed free import and export of most dairy products. The major destinations for Indian dairy products are Bangladesh (23.1%), UAE (15.4%), US (15.6%) and Philippines (8.9%). In terms of products, SMP is the most important product accounting for about 63% of total export volume, followed by ghee and butter (11.7%) and WMP. Export figures clearly demonstrate that the Indian dairy export is still in its infancy and the surpluses are occasional. Indigenous milk products and desserts are becoming popular with the ethnic population spread all over the world. Therefore, the export demand for these products will increase and hence, there is a great potential for export. On the other hand, there has been a sharp increase in import of dairy products (especially milk powders) after trade liberalization. As per the latest report of Foreign Trade Statistics of December 2004, the imports of dairy products (milk and cream) has reached a cumulative total of 22.145 million tonnes for the period April - March 2004, as compared to only 1473 million tonnes for the same period during the previous year (James, 2011).

New Challenges of Globalization: The NDDB has recently put in place Perspective 2010 to enable the cooperatives to meet the new challenges of globalization and trade liberalization. Like other major dairying countries of the world, the Indian cooperatives are expected to play a predominant role in the dairy industry in future as well. However, India is in the mean time, attaining its past glory and is once again becoming DOODH KA SAGAR. But, what percentage of this SAGAR is handled by the cooperatives just a little over 7%. Since liberalization of the dairy sector in 1991, a very large number of private sector companies / firms have, despite MMPO, established dairy factories in the country (Mary Tripsas, 2008). The share of the total milk processing capacity by private sector is 44% of total installed capacity of 73 MLPD (Million Litres Per Day) in the country. Therefore, the total share of the organized sector, both cooperatives as well as the private sector is barely 12%. What is, therefore, disquieting is that as much as 88% share of the total milk production is commanded by the unorganized sector - which specializes in selling sub-standard, un-pasteurized milk more often than not adulterated with harmful chemicals (Deepak Kumar *et al.,* 2009).

Aavin milk products: Aavin is the trademark of the Tamil Nadu Co-operative Milk Producers' Federation Limited, a Tamil Nadu-based milk producer's union. The aim of Aavin is to procure milk, process it, chill it, pack and sell it to the customers. The Dairy Development Department was established in Tamil Nadu in the year 1958 to oversee and regulate milk production and commercial distribution in the state. The Dairy Development Department took over control of the milk cooperatives. It was replaced by the Tamil Nadu Cooperative Milk Producers Federation Limited in the year 1981. On February 1, 1981, the commercial activities of the cooperative were handed over to Tamil Nadu Co-operative Milk Producers' Federation Limited which sold milk and milk products under the trademark "aavin". With many private companies entering the field of dairy, the Tamil Nadu government is giving high priority to improve the performance of the cooperatives. Tamil Nadu is one of the leading states in India in milk production with about 14.5 million litres per day. The Tamil Nadu Cooperative Milk Producers Federation (AAVIN) is located at 13°9′10″N 80°14′40″E Aavin Illam, Madhavaram Milk Colony, Chennai. The Tamil Nadu Co-operative Milk Producers' Federation Limited is an apex body of 17 District Cooperative Milk Producers' Unions.The Federation has four dairy plants at the following locations in Chennai. Ambattur with a capacity of 4.00 lakh litres per day, Madhavaram with a capacity of 3.00 lakh litres per day, Sholinganallur with a capacity of 4.00 lakh litres per day and Ambattur - Product Diary. These dairies collect milk from District Unions, process and pack in sachets and send for sale to the customers in and around Chennai City. The Ambattur product Dairy is also engaged in the manufacture of milk products such as Yogurt, Ice Cream, Khova, Gulabjamoon, Buttermilk, Curd and Mysorepak. Aavin produces 4 varieties of milk, Toned milk (3% Fat), Doubled toned milk (1.5%), Standardized Milk (4.5%), and Full Cream Milk (6%).

MATERIAL AND METHODS

Problem Statement: Measuring the customer attitude is an easy way to understand the behavior and expectation of respondents. In this study the customer attitude was exhibited through various facts like demographic factors and attribution factors and other factors. There are so many studies; articles are available in dealing with attitude related issues. This paper is intended to cover the customer attitude related to Aavin milk product in and around Trichy. Recently this kind of studies has not been recorded in our geographical location. Thus the researcher likes to proceed with idea to extract some new insight from study result.

Objectives: The primary objective of this study is to evaluate the customer attitude towards Aavin milk products. To be specific, we have classified the user data into three different patterns as demographic factors, attribution factors and other factors such as satisfaction.

Methodology: Primary data was collected through a structured questionnaire which is distributed to customers of Aavin milk in various places. Few secondary data also collected from internet and magazine. The total sample size is 200; simple random sampling technique was applied and area of the study is Trichy. Sample units are respondents of various groups known as students, housewives, professionals, business persons and government employees. Statistical techniques like simple percentage analysis, chi-square analysis, cross tabulation analysis, analysis of variance (ANOVA) have been applied.

RESULT AND DISCUSSION

This section discuss about result and discussion of customer attitude towards Aavin milk products. The following table describes the demographic factors of the respondents. There are 200 respondents were considered for this study. The table 1 shows percentage analysis, out of 200 respondents considered for this study 57% of them belongs to 20-40 years age group, 18.5% of them belongs to 40-60 years age group, 16.5% of respondents belongs to less than 20 years age group and only 8% of them belongs to above 60 years age group. Similarly for gender 52 respondents were male. There are four classification interval considered for monthly income out of which majority 34.5% of them were belongs to below Rs.10000 earning group. Similarly for occupation six groups were considered, among the list 33% of them were professionals and 29.5%

of them were business persons. The educational qualification was classified into five categories; 47% of respondents are graduates. Marital status also considered under demographic factors, 58.5% of respondents were got married.

The table 2 describes attribution factors towards Aavin milk products, which contain awareness of Aavin, during of using the product, place where they like to buy, factors influenced to buy and recommendation. Among the total number of respondents considered for this study, 36.4% of them were aware through Television, next by newspaper/magazine 25.3%. Majority 50.5% of respondents were using Aavin milk for more than 12 months. Many respondents willing to purchase Aavin product from various outlets and out of which majority 48.3% of them preferred to buy from organized retail shops. In the attribution case, factors influenced to buy Aavin feature also considered and it shows that 40.6% of them preferred due to quality & taste. 47.5% of respondents confirm that they will recommend Aavin to others. The table 3 describes the distribution of the respondents and their level of satisfaction with Aavin Products.

It is obtained from the table 3 that 40% and 22% of the respondents are satisfied and neutrally satisfied with price, 35% and 34% of them are neutrally satisfied and satisfied with availability, 41% and 32% of the respondents are satisfied and highly satisfied with taste, 37% and 25% of the respondents are satisfied and neutrally satisfied with quality, 34% and 32% of the respondents are neutrally satisfied and satisfied with product range, 43% and 32% of them are neutrally satisfied and satisfied with purchase experience, 38% and 35% of the respondents are neutrally satisfied and satisfied with usage experience, 39% and 31% of the respondents are neutrally satisfied and satisfied with marketing strategies.

Hypothesis: The personal factors of the respondents have no significant influence on the period of using the Aavin Products. It is observed from the table 4 that the chi-square test is calculated between personal factors of the respondents and the period of using the Aavin products. According to the results, occupation of the respondents has significant influence on the period of using and other factors have no significant influence on the period of using Aavin products. It is concluded that occupation of the respondents have significant influence on the period of using the Aavin products.

Hypothesis: The personal factors of the respondents have no significant influence on the recommendation of Aavin Products to others. It is observed from the table 5 that the chi-square analysis is calculated between personal factors of the respondents and recommendation of Aavin products to others. It is noted that all p values are greater than the level of significance, Hence the hypothesis accepted in all factors. It is concluded that the personal factors of the respondents have no significant influence on recommendation of Aavin products to others. Since occupation of the respondents found significant influence on duration of using Aavin milk products, another analysis has been raised to test its impact on satisfaction in this regard and the table 6 depicts the same. It is observed from the table 6 that average-score analysis is calculated between occupation of the respondents and the level of satisfaction of Aavin products. The weighted average score is measured to obtain the mean level of satisfaction of the respondents on each factor. It is understood that business people are more satisfied than other occupational group of the respondents on taste, product range, usage experience and marketing strategies. It is concluded that business people are more satisfied with Aavin products and almost satisfied with maximum number of factors considered for this study. It is inferred from the table 7 that the ANOVA is performed to find the significant difference in the factors prefers to buy the product among different occupation of the respondents. The F value is 1.954 and the p value is 0.087, which is greater than the level of significance. Hence it is not significant. It is concluded that the preference to buy the Aavin product has no significant difference found with occupation of the customers.

CONCLUSION

Trichy city has selected to evaluate their consumer preference towards Aavin milk products. Structured Questionnaire has been prepared and collected from 200 respondents. This study uses different statistical tools to explore the objective facts. The final outcome of this study confirmed that the Aavin products are satisfied its customer well. It is not bonded to any community or group; it is a commonly preferred product by the people. 27 percent of the customer opinion as Aavin has harmed them in some aspects; while it is evaluating it is not impact any serious cause.

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Table 1: Demographic Factors

Demographic Factors	No. of Respondents	%
Age:		
>20 years	*33*	*16.5*
20 – 40 years	*114*	*57.0*
40 – 60 years	*37*	*18.5*
Above 60 years	*16*	*8.0*
Gender:		
Male	*104*	*52.0*
Female	*96*	*48.0*
Monthly Income:		
Below Rs. 10000	*69*	*34.5*
Rs.10001 – 20000	*60*	*30.0*
Rs.20001 –30000	*33*	*16.5*
Above Rs.30000	*38*	*19.0*
Occupation		
Government employee	*16*	*8.0*
Business	*59*	*29.5*
Professional	*66*	*33.0*
Student	*27*	*13.5*
House wife	*28*	*14.0*
Others	*4*	*2.0*
Educational Qualification:		
School level	*41*	*20.5*
Graduate	*94*	*47.0*
Post graduate	*46*	*23.0*
Diploma	*16*	*8.0*
No formal education	*3*	*1.5*
Marital Status:		
Married	*117*	*58.5*
Unmarried	*83*	*41.5*

Table 2: Attribution Factors

Attribution Factors	No. of Respondents	%
Awareness		
Television	*111*	*36.4*
Radio	*36*	*11.8*
Newspaper/magazine	*77*	*25.3*
Friends and relative	*47*	*15.4*
Internet	*29*	*9.5*
Others	*5*	*1.6*
Period of using		
Less than 3 months	*25*	*12.5*
3 - 6 months	*28*	*14.0*
6 - 9 months	*22*	*11.0*
9 - 12 months	*24*	*12.0*
Above 12 months	*101*	*50.5*
Like to buy		
Organized retail shops	*102*	*48.3*
Aavin preferred outlets	*70*	*33.2*
Unorganized retail outlets	*38*	*18.0*
Any other	*1*	*0.5*
Factors influenced to buy		
Quality	*104*	*40.6*
Taste	*104*	*40.6*
Price	*26*	*10.2*
Availability	*21*	*8.2*
Others	*1*	*0.4*
Recommend to others		
Will recommend	*95*	*47.5*
May be	*77*	*38.5*
Not sure	*15*	*7.5*
Not at all	*13*	*6.5*

Table 3: Level of Satisfaction with Aavin Products

Factors	HS	S	N	DS	HDS	Total
Price	*30 (15)*	*79 (40)*	*44 (22)*	*35 (18)*	*12 (6)*	*200 (100)*
Availability	*29 (15)*	*67 (34)*	*69 (35)*	*29 (15)*	*6 (3)*	*200 (100)*
Taste	*64 (32)*	*82 (41)*	*39 (20)*	*14 (7)*	*1 (1)*	*200 (100)*
Quality	*63 (19)*	*74 (37)*	*49 (25)*	*14 (7)*	*0 (0)*	*200 (100)*
Product Range	*38 (19)*	*64 (32)*	*67 (34)*	*27 (14)*	*4 (2)*	*200 (100)*
Purchase Experience	*27 (14)*	*63 (32)*	*85 (43)*	*22 (11)*	*3 (2)*	*200 (100)*
Usage Experience	*36 (18)*	*70 (35)*	*76 (38)*	*14 (7)*	*4 (2)*	*200 (100)*
Marketing strategies	*20 (10)*	*61 (31)*	*78 (39)*	*29 (15)*	*12 (6)*	*200 (100)*

Table 4: Chi-Square – Personal Factors vs Period of using

Prod. Using / Demo. Factor	χ^2 Value	df	P value	S/NS
Age	15.66	12	0.207	Non significant
Gender	2.73	4	0.605	Non significant
Monthly income	19.09	12	0.086	Non significant
Occupation	31.66	20	0.047	Significant
Educational qualification	13.59	16	0.629	Non significant
Marital status	5.74	4	0.220	Non significant

Significant ($P \leq 0.05$)

Table 5: Chi-Square – Personal Factors vs Recommendation of products

Recommend / Demo. Factor	χ^2 Value	df	P value	S/NS
Age	11.66	9	0.233	Not significant
Gender	3.27	3	0.352	Not significant
Monthly income	3.66	9	0.932	Not significant
Occupation	6.55	15	0.969	Not significant
Educational qualification	9.69	12	0.643	Not significant
Marital status	5.65	3	0.130	Not significant

Significant ($P \leq 0.05$)

Table 6: Average – Score – occupation vs level of satisfaction

Occupation / Factors	G	B	P	S	H	O
Price	3.44	3.59	3.36	3.19	3.21	3.75
Availability	3.25	3.59	3.29	3.30	3.61	3.25
Taste	3.75	4.15	3.86	3.81	4.04	4.50
Quality	4.19	4.15	3.86	3.44	3.86	4.50
Product Range	3.19	3.71	3.52	3.44	3.46	3.25
Purchase Experience	3.19	3.49	3.52	3.11	3.57	4.00
Usage Experience	3.31	3.78	3.50	3.44	3.75	3.75
Marketing strategies	3.25	3.37	3.21	3.11	3.11	3.50

G – Govt. Employee, B – Business, P – Professional, S – Student, H – Housewife, O - Others

Table 7: ANOVA – Occupation vs Factors prefers to buy

ANOVA	Sum of Squares	df	Mean Square	F Value	P Value
Between Groups	8.40	5	1.68	1.954	0.087
Within Groups	166.72	194	0.86		
Total	175.12	199			

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