

Evaluation of Consumer Opinion on Line Extension of Milk Products

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Abstract

Milk and milk products is an essential commodity for consumers. Though the taste of milk as such cannot be changed to satisfy consumers taste, the quantity of the package can be changed as per the needs of the consumers. Milk industry needs to focus on milk products to increase their profits by changing the taste by adding flavours and the quantity. Line extension is key word for industries in which they produce the large number of products under same brand, when the consumers need a change in product they make a line extension of those products which are on high demand in the market. In this study consumers are in need of different flavours in the same products. Thus evaluation is done on consumer opinion on line extension of products.

Keywords: Consumer opinion, Line extension, Milk Products

INTRODUCTION

The study was undertaken to know about the consumer opinion on the line extension of milk and milk products. This study gives information about the milk industry and to understand the needs of consumers in terms of taste, quality and quantity.

This study helps to understand the behaviour of consumer while purchasing of the product as well as their expectation on the product and also to understand the marketing strategies, pricing strategies, functions of management in terms of changing of price of products.

The good distribution channel is action of marketing department. The most customers are really satisfied by the way that milk industry provides them in terms of discounts, offers and high scale margin these all attract and fetch more customers to deal with their products.

The survey helped me to understand the consumer's opinion on product and what is their expectation from the milk industry. Finally according to survey the most of consumer prefer using branded milk products rather than purchasing it from local milk vendors.

LITERATURE REVIEW:

Termoshuizen .J.G., Meulenberg M.T.G and Wierenga B (1986), this study aims to gain the review on consumer behaviour on consumption and buying of milk and milk products. The aim of the study is to understand the opinion and behaviour of consumer on consuming a product especially of dairy products. Even this study had given scope for dairy products throughout the world.

Sukumaran Bhaskarna (1994), the study helps to know the market potential for exports of value added products in Malaysia and compare with competing countries. This study analyzes the strength,

weakness, opportunity and threats to increase marketing strategies. The study mainly focuses on the export of dairy products from India to other countries and its operations on marketing strategy. The aim of this study is to export the products in large quantity but its good quality as compared to any other products.

Naganpani L (1998), the study helps to know marketing concepts of the competitors and compare it with private brands. This research is all about the comparability of unions in dairy market and private brand. As results, it found that private milk brands are most popular then the union dairy suppliers in the market.

Radder. L, Natalie Heather Smith (1999), This study mainly aims for the number of consumer consuming milk pattern and what factors influence them to buy the product. After analysing the consumer opinion they understood that common factors that influence the consumer to buy the product are quality, price, quantity, comparability with other brands. Thus study makes the management to focus on these factors more than any other factor.

Vrontis, Viganli (2001), the study deals with investigation of micro and macro

environment factor of dairy products. Here macro factors are influenced by the government and demography. This analysis helps to know about the price cutting and retail margin product outlet profit as well as it helps to know the pricing strategy of competitors and work on the same bases to attract the customers and also consumers.

Ashoke Kumar Ghosh (2002), this study helps the management to know the consumer behaviour on the products and attempt to analyze what consumer prefers. Thus study understood that consumer prefer using packed milk in urban area but no in rural area where as the people in rural area prefer using milk from local vendor because its fresh and not added preservatives.

Shantana Halder, Proloy Barua (2003), The study focuses on consumer opinion on quality of the milk and its products .The study understood that consumers have knowledge gap to identify the products as they thought packaged milk is of low quality because the milk contains low fat and its exacted to produce other products to make market growth and local vendors are the best produces of the milk.

Rajendran K, Samarendu Mohanty (2004), this study details with concept of organized sectors and unorganized sectors. The study understood that there is more of involvement of unorganized sectors in milk industry in India i.e.; 80% and the rest i.e.; 20% is organized sector. The reason behind this involvement is lack of bargaining power, lack of infrastructure, lack of margins to suppliers.

RESEARCH METHODOLOGY

Before conducting the actual survey a pilot study was done to ensure the correctness of the questionnaire by choosing 26 consumers. Then a total of 253 questionnaires were distributed, out of which 200 correct responses have been taken for the study The sample units were consumers who are purchasing milk products at milk parlour and sample frame was all customers who have purchased milk products at the milk parlours. A survey was conducted by using a structured questionnaire with a 5-point Likert scale and data was collected.

Limitation

- The survey was conducted in rural area in and around the City of Belgaum only.

- There was no proper co-operation by some consumers while filling questionnaire and hence all the consumers who visited the parlour have not been the respondents.

Hypothesis: The hypotheses considered for the study are as follows

H₀: There is difference in consumer opinion about line extension

H₁: There is no difference in consumer opinion about line extension.

The values obtained for hypotheses test. Multiple R 0.205535, R square 0.042885, P-Value 0.423332.

A hypothesis test was conducted for the above statement made and the results after the regression analysis reveal that the P-value (0.42332) is greater than 0.05. Hence there is no enough evidence to prove that H₀ is false. Therefore H₀ is accepted. There is difference in consumer opinion about line extension.

FINDING AND SUGGESTIONS

The survey shows some typical findings in this region considered for the survey. It was found that 74% of customers look for quality and 62 % look for smell when

purchasing milk products. Price and taste influence very little compared to the above two.

The flavours of milk produce are limited and consumers want more variety of added flavours for their products like Shrikhand and Flavoured milk. It also shows that the milk products especially the sweets produced from milk in the organized sector have more demand than the unorganized sector and also more variety is preferred by consumers. Price does not seem to be a constraint for these products. Quality and taste are the two factors that matter to these consumers in this region. Consumers who consume products like yogurt, cheese, cream, ghee, etc also prefer organized sectors over unorganized and also need the product in varied quantities. There are standard quantities packed by the companies, but due to income variation seen in these regions, people look for quantities from very low as 50ml/gm upto 1000ml/gm.

It is suggested to add on more quantity packages and also variety of flavours to milk products to satisfy the consumers with varied needs and different income groups.

CONCLUSION

The study of consumer opinion on line extension on milk products depends upon the consumer's behaviour and purchasing power. Thus according to consumers, there is need of change in flavours and to add more flavours, taste, quality and quantity and these attributes are based on taste, smell, price and quality. On the basis of the study it is found that there is a need for line extension in milk industry also because this strategy helps for companies to retain their customers. Line extension helps in increasing market share as well.

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