



## FACTORS INFLUENCING CONSUMER BUYING BEHAVIOR WITH SPECIAL REFERENCE TO DAIRY PRODUCTS IN SALEM DISTRICT

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### **Abstract**

*Dairying perceived as subsidiary occupation for vast majority of farming community in our country is now acquiring an independent status as main occupation as it is crucial in providing employment. Milk and milk products are one of the important components of Indian food Industry and India is the world's highest milk producer and all set to become the world's largest food factory. Dairy food processing holds immense potential for high returns.*

*Consumer behavior analysis is based on consumer's buying behavior. It aims at improving business performance through an understanding of the customer's preferences and desires. In today's world of growing competition where there are numerous brands selling the same products, consumers have an abundant number of choices and many diverse factors influence their buying behavior. This study is based on Descriptive study and the statistical tools used are Percentage & Weighted Average Method. This study made an attempt to find the factors affecting consumer's buying behavior, with the focus on dairy products in Salem District. These factors are based on certain variables used in the survey. The variables include packaging, cost, availability, ingredients, product popularity, product quality, product taste, etc., that influence the choice of a brand from among those in the consideration list, but may not be the most important and primary determinants for short listing brands.*

**Keywords:** Dairy Products; Consumers; Consumer Buying Behavior.

### **INTRODUCTION**

Milk and dairy foods are nutrient-dense foods supplying energy and significant amounts of protein and micronutrients. The inclusion of dairy products adds diversity to plant-based diets. However, the role of milk and dairy products in human nutrition has been increasingly debated in recent years, both in the scientific literature and in popular science literature.

Consumer is a person who buys or uses things (goods) or services. Marketers are the persons who provide these services. The most challenging questions for marketers are why buyers do what they do (or don't do). Such knowledge is critical for marketers, since having a strong understanding of buyer's behavior will shed light on what is important for the consumer and also suggest the important influences on consumer decision-making. Factors affecting consumers' buying decisions are extremely complex. It is deeply rooted in psychology with dashes of sociology thrown in just to make things more interesting. It explains the influences on the consumer from groups such as family, friends and society in general. Consumers' buying behavior result from deeply held values and attitudes, their perception of the world, their place in it, from common sense, from impulse or just plain take.

For early humans, the advantages of milk consumption and its effects on growth and bone health were likely to have been of considerable importance while its effects on chronic diseases later in life had limited relevance to reproduction and survival. In contrast, for contemporary human populations, while childhood growth and bone strength are important for health, it is the effects of milk and dairy consumption on individual well-being and on chronic diseases and their associated economic costs that are of greater relevance (Elwood et al., 2008). Milk is a complex food containing numerous nutrients. Most of the constituents in milk do not work in isolation, but rather interact with other constituents. Often, they are involved in more than one biological process, sometimes with conflicting health effects, depending on the process in question. One such example is milk fat. The traditional diet-heart paradigm, developed in the 1960s and 1970s, held that consumption of fat, and saturated fat in particular, raised total cholesterol and low-density lipoprotein (LDL) cholesterol levels, leading to coronary heart disease (CHD) (Mozaffarian, 2011). Currently, many national and international bodies recommend consumption of lower-fat dairy foods. However, the scientific rationale behind this recommendation is still debate. As one author says, "Due to the small rise in blood cholesterol with milk drinking, the debate on milk has never achieved a reasonable balance on the evaluation of risks and benefits" (Elwood et al., 2010).

In the fast growing world of consumerism, it is necessary for every organization to study their customer preference for dairy products to identify the underlying factors for preference of dairy brands as well as make suggestions for the company to take the right market to be a leader in the market to the dairy products.

Environmental Factors		Buyer's Black Box		Buyer's Response
Marketing Stimuli	Environmental Stimuli	Buyer Characteristics	Decision Process	
Product Price Place Promotion	Economic Technological Political Cultural Demographic Natural	Attitude Motivations Perception Personality Lifestyle Knowledge	Problem Recognition Information Search Alternative Evaluation Purchase Decision Post- Purchase Behaviour	Product Choice Brand Choice Dealer Choice Purchase Timing Purchase Amount

The black box model considers the buyers response as a result of a conscious, rational decision process, in which it is assumed that the buyer has recognized the problem. However, in reality many decisions are not made in awareness of a determined problem by the consumer.

### OBJECTIVES OF THE STUDY

- To study the Brand Preference on dairy products in the study area.
- To understand Customer Satisfaction level on dairy products in Salem Town.
- To analyse the factors influencing on dairy products.

### REVIEW OF LITERATURE

The consumer decision-making process is important in determining purchase behavior. In order to offer an effective service, it is important to identify consumer segments, taking into account the benefits which the consumer seeks.

When they buy a product, whether it is a good or a service, they buy a cluster of product features, but may want only one or two of these features. The main reason behind consumer's search is uncertainty.

Various studies have provided information about the measures of compulsivity, which helps in analyzing compulsive buying tendencies of consumers. Faber and O'Guinn T C (1992).

The second approach (Youn and Faber, 2000) mainly used a nine-item scale, earlier developed by Rook and Fisher (1995). Thus compulsive buying is a very important aspect in consumer's behavior research. It has been defined as "chronic, repetitive purchasing, that becomes a primary response to negative events or feeling" (Faber and O'Guinn, 1992).

Consumers appear to have much more pragmatic considerations in mind when making their food choice decisions. These considerations include sensory aspects of food (e.g., taste and quality) (Powell *et al.*, 2003) along with the influence of non-food effects.

Quality and safety are thus two very important elements in consumer's food perception and decision-making associated with food choice (Grunert, 2005). Consumers' purchasing decisions are normally based on their own perception and representations of quality and safety.

In fact, perceptions of food quality and safety are likely to be influenced by such psychological and cultural factors rather than physiological product experiences alone. Many quantitative and qualitative researches have addressed issues associated with cultural determinants of food choice (Shepherd and Raats, 2007). It is quite evident from such studies that while analyzing factors that influence food choice, it is important to consider consumer's cultural background (Overby *et al.*, 2004; and Hoogland *et al.*, 2005).

Personal values have been found to be the underlying determinants of various aspects of consumer attitude and behavior (Homer and Kahle, 1988).

Consumer behavior is also affected by the socioeconomic conditions of the markets namely, income, mobility, media access (Tse *et al.*, 1989). It has been observed that per capita income and disposable income indicates the amount of resources consumers allocate to consumer goods (Johansson and Identification of Secondary Factors that Influence Consumer's Buying Behavior 59for Soaps and Chocolates Moinpour, 1977).

As more resources become available, consumers may desire more emotional image attributes products or brand (Kim *et al.*, 2002). Personal values have been found to be the underlying determinants of various aspects of consumer attitude and behavior (Homer and Kahle, 1988).

In situations when consumers are unable to defer the product choice decision, consumers may experience overload and anxiety at worst or develop simplifying decision heuristics to help them make product choices (Swait and Adamowicz, 2001) at best.

In the complex brand selection environment, which exists today, there has been a widely reports that consumers defer product/ brand selection on a variety of factors (Tversky and Shafir, 1992; and Dhar, 1997)

It helps in developing a market position, prestige and image of the product and for these reasons the brand constitutes a mechanism of risk reduction (Aaker, 1996).

Observing the purchase behavior of unknown or known consumers (Park and Lessig, 1977) is one such readily apparent heuristic. This helps in simplifying consumer's decision-making process by providing information that provides a source for consumer's "evaluations, aspirations, and behavior" (Park and Lessig, 1977).

An organization which embraces the marketing concept tries to provide products that satisfy consumer needs through co-ordinated sets of activities that also allow the organization to achieve its goals Direct observation occurs by watching the actual purchase behavior of other consumers (Price *et al.*, 1989; and McGrath and Otnes, 1995) and indirect observation involves the analysis of trace evidence of **shopping behavior**.

**Table: 1 Recalled Dairy Brands**

Brands	No.of respondents	% of Respondents
<b>Aavin</b>	<b>75</b>	<b>75</b>
<b>Cavin</b>	<b>08</b>	<b>08</b>
<b>Others</b>	<b>06</b>	<b>06</b>

**Table:2 Dairy Brands in Town Salem**

Brands	No.of respondents	% of respondents
Aavin	75	75%
Cavin	20	20%
Others	05	05%
Total	100	100

Based on the survey of 100 consumers of dairy products in the Salem District 75% of the respondents were preferred the Aavin DairyProduct.

**Table:3,Analysis of Ranking of Attributes by Respondents**

Attributes	Rank (No. of Respondents)						Total Score	Rank
	1	2	3	4	5	6		
Product quality	72	21	4	02	01	01	562	1
Product	21	35	10	16	13	05	420	2
Product pricing	19	14	25	09	26	07	370	3
Product variety	11	20	23	17	17	12	345	4
Brand Image	7	9	11	32	30	11	298	5
Advertisement	4	5	8	11	17	55	208	6

**Table:4 Analysis of Ranking which influence to buy the Dairy product**

Rank	Weight	Product		Product		Product		Product		Brand		Advertising	
X	W	X1	WX1	X2	WX2	X3	WX3	X4	WX4	X5	WX5	X6	WX6
1	6	72	432	21	126	19	114	11	66	07	42	04	24
2	5	20	105	35	175	14	70	20	100	09	45	05	25
3	4	04	16	10	40	25	100	27	92	11	44	08	32
4	3	02	06	16	48	09	27	17	51	32	96	11	33
5	2	01	02	13	26	26	52	17	34	30	10	17	34
6	1	01	01	05	05	07	07	12	12	11	91	55	55
		100	562	100	420	100	370	100	345	100	298	100	208
C.W		5.62		4.2		3.7		3.45		2.98		2.08	
Rank		1		2		3		4		5		6	

Source: Primary Data

Product Mix and Marketing Mix factors are some of the factors which influence Consumers choose a Brand. The above Table 3 shows Ranking of the major reasons for choosing Dairy Brands and it is observed that Rank 1 is assigned to Product Quality Rank 2 is assigned to Product Availability Rank 3 is assigned to Product Pricing Rank 4 is assigned to Product Variety Rank 5 is assigned to Brand Image Rank 6 is assigned to the Advertisement. Thus we see that Quality, Availability and Pricing are among the top 3 reasons while advertising is only ranked 6.

Consumers while purchase dairy products look for freshness, quality, taste and texture, variety and convenience. Products like Dahi and sweets like Kheer, Basundi, Rabri are perishable products with a shelf life of less than a day. These products are, therefore, manufactured and sold by local milk and sweet shops. There are several such small shops within the vicinity of residential areas. Consumer loyalty is built by consistent quality, taste and freshness. There are several milk-based sweetmeat shops, which have built a strong brand franchise and have several branches located in various parts of a city.

### SUGGESTIONS

From the study it reveals that,

- Many customers are using the Aavin since it gives more usage with less cost
- Even though Cavin is very branded
- The customers prefer branded products based only on quality, availability, price, variety, image then advertising.

### CONCLUSION

At global level, milk has been identified as an integral part of food for centuries. The success of White Revolution in India has largely been written by millions of small holders. About 70 million dairy farmers produce more than 50 per cent of the milk in the country. Milk and milk products are one of the important components of the Indian food industry. Consumption of milk and milk products is deeply rooted in our tradition and it is an essential item during rituals, festivals and other auspicious events.

On the study of the “Factors influencing Consumer buying behavior with special reference to Dairy Products in Salem District” it was overall observed that Aavin is the market leader of dairy products in the town of Salem District. Aavin is not only the most highly recalled brand but also a top rated among the other competitive brands like Hatsun, , Cavins Milk, etc. We observe that Product Quality, Availability and Pricing have been regarded as major reasons (top 3 reasons) for preference of dairy brands.

In the scenario of the various dairy brands available in the market we can conclude that in the town of Salem District Aavin is ranked 1 in Price, Taste, Quality, Availability and Packaging. product segment.

Further frequency and place choice for the purchase of dairy products will help the company Aavin to identify the right channels of distribution for its various dairy products. For example: in the case of ice-cream Consumers Preference of place is Ice Parlors providing the right ambience to enjoy their Ice-Creams. Further a Considerable amount of Brand Switching behaviour is observed among the respondents in case of non-availability of their favourite brands in their stores and also a Retailer role in influencing brand choice is Considerable at this level.



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