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A study on customer's satisfaction towards milk and milk products in Kerala, India

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Abstract

Customer satisfaction is a measure of how well a company's products and services meet customers' expectations. Customer satisfaction is important for gaining customer loyalty, repeat purchases, customer life time value and new customer acquisition. In this present decade, companies have gained better understanding of the importance of customer satisfaction and adopted it as a high priority operational goal. This study was carried out in lines of the objectives; to know the purchase behaviour and factors considered by customers before purchase of selected dairy products also to find out the perceived importance of attributes responsible for satisfaction and performance after use and to know the process of problem redresses adopted by consumers and feedback mechanism from dairy. The paper attempts to identify the satisfaction of customers towards milk and milk products in Kerala. Based on extensive literature review, factors affecting customer satisfaction were identified and questionnaire was prepared. The study is based on primary data from hundred and fifty customers collected through questionnaire, personal interview and secondary data collected from journals, company reports, magazines etc. From the study, it is found that most of the customers are satisfied of the milk and milk products in Kerala.

Keywords: Customer satisfaction, purchase behaviour, customer loyalty, demographic characteristics

1. Introduction

Kerala presents a significantly emerging dairy market in India. In 2023, the Kerala dairy market attained a volume of nearly 2.2 billion litres. Within the state, milk production primarily consists of cow milk and buffalo milk. Cow milk is expected to be one of the leading product segments in the market. The key trends guiding the market include the introduction of favourable government initiatives to support rural milk producers, the increasing investments in dairy production by private companies, and the rising demand for premium and value-added dairy products among affluent customers. The dairy market in Kerala on the basis of product type is divided into liquid milk, ghee, curd, paneer, ice cream, table butter, skimmed milk powder, frozen/flavoured yoghurt, fresh cream, lassi, butter milk, cheese, flavoured milk, UHT milk, dairy whitener, sweet condensed milk, infant food. Some of the fastest growing segments in the market include frozen/flavoured yoghurt, UHT milk, cheese, and flavoured milk. The key players in the Kerala dairy market include Kerala Co-operative Milk Marketing Federation Limited, Sapins Farm Products Private Limited, Aroma Milk Products and Muralya Dairy Products Private Limited. The dairy market in Kerala is being driven by the various untapped opportunities that the regional industry offers, which has attracted a number of private companies and investors. The market is further aided by the several initiatives the government of India is taking to help develop the dairy sector by providing support to the rural milk producers and milk cooperatives. Some of the initiatives include dairy development schemes in Kerala and the setting up of dairy farmers' welfare fund board within the state.

The hectic lifestyles of consumers, increasing working population, and growing health consciousness have led to a rising trend towards the healthy and ready-to-eat dairy products. Apart from this, a huge number of affluent customers in Kerala who prefer value-added and premium dairy products have further enhanced the growth of the organised dairy sector in the region. These factors are also expected to booster the market growth in the coming years.

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2. Literature Review

According to Diller (2000) [7], Customer satisfaction and loyalty are related. Customers are loyal to the company only if they are satisfied with the product and service. Customer loyalty and brand loyalty are interrelated, implying the strength for a particular product in service.

Dr Dash Ganesh (2013) [8], in his study done to determine consumer buying behaviour of dairy product users in Jaipur city, has mentioned the importance of cooperatives in the dairy industry. Cooperatives have existed as dominant forms of organization in the dairy industry around the world. Sometimes, they have played the role of developing infant industry while at other times they have been used to strengthen weak production bases in an environment where market failures tend to be higher for marginal producers. The Gujarat Cooperative Milk Marketing Federation (GCMMF) or AMUL and Rajasthan Cooperative Dairy Federation (RCDF) or SARAS in India, are the examples of how to develop a network of firms in order to overcome the complexities of a large yet fragmented market like those in emerging economies by creating value for suppliers as well as the customers.

According to Fornell (1992) [9], Customer satisfaction can be defined as the overall evaluation of the purchase and consumption experience, which focuses on perceived product or service performance compared with the pre-purchase expectation.

According to Alireza Shirania, Habibollah Danaeib and Anahita Shirvanic, (2014) [10], there were positive and meaningful relationship between price, quality, distribution, trust and expectations on one side and producers' satisfaction from suppliers. Also price, quality, distribution, trust, expectations and conflict had meaningful impact on customer satisfaction. The effects of the first five variables were positive and that of conflict was negative on customer satisfaction.

From the study conducted by Lech Niezurawski he realised the fact that the recognition of customers' needs will make it possible to provide them with a product which will fully meet their expectations. The main thing that the client focuses is on the product's attributes. A satisfied purchaser becomes a loyal client and will tell his friends about his positive experience with the product and will recommend others to purchase the product.

Iilir Kapaj and Dr. Ana Mane Kapaj on their research on Household Consumption of Dairy Products in the State of Albania. They studied the behaviour of consumers in Albania. The idea that motivated this research is that before any course of action supporting the domestic milk production industry can be undertaken, it was of utmost importance to know what consumers want. The consumers' demand for milk must be satisfied by the milk producers in order to remain competitive. According to Emrah Cengiz customer satisfaction plays a vital role in every organization

among business life. It can be said that if a company wants to survive in this competitive environment customer satisfaction should be given due importance. Organizations which want to meet customers' expectations should use this marketing tool properly. This paper has aimed to illustrate the importance of customer satisfaction and customer satisfaction measurement.

3. Statement of the Problem

The key players in the Kerala dairy market include MILMA, Sapins Farm Products Private Limited, Aroma Milk Products and Muralya Dairy Products Private Limited. Almost 30 other players have entered the market in the last 2 decades. Divided market share and customer loyalty are the major problems that various brands are facing right now. The purpose of this study is to understand on what parameters does customers purchase and also their preference towards various brands and what motivates customers to buy milk and milk products.

4. Objectives of the Study

To study the impact of demographic characteristics of consumers on their purchase behaviour.

To understand the factors that influence consumers' satisfaction towards milk and milk products.

To know the level of consumers' satisfaction towards milk and milk products.

To know the reasons for the consumers switching over to products of other brands.

5. Scope of the Study

This study aims to investigate the customers' awareness and satisfaction towards milk and milk products of various brands in Kerala. The study has focused on identifying the factors that influence the customers' satisfaction towards milk and milk products.

6. Research Methodology

6.1 Sample size: This study used Field survey method to collect primary data from 150 respondents from different districts of Kerala.

6.1.1 Sampling Technique: The sampling design used in the study was non-probability sampling. Convenience sampling techniques are used for collecting the data.

6.1.2 Tools for data analysis

Data collected through questionnaire were presented in a master table. From the master table, sub table was prepared. For analysis and interpretation of the data simple statistical tools like percentage analysis, chi-square test, one way ANOVA were used.

6.1.3 Data Analysis

Table 1: Profile of the Respondents

Sl. No.	Factors	Category	No. of respondents	Percentage
1.	Gender	Male	50	33.3
		Female	100	66.7
2.	Age	Below 20 years	16	10.7
		20-40 years	92	61.3
		40-60 years	42	28
3.	Marital status	Married	120	80
		Unmarried	30	20
4.	Occupation	Students	25	16.7

		Home maker	10	6.7
		Self-employed	18	12
		Employee	97	64.7
5.	Family monthly income	Below 20000	35	23.3
		20000-40000	98	65.3
		40000-60000	10	6.7
		Above 60000	7	4.7
		Total	150	100

The above table depicts that 66.7% of the respondents are female. Majority 61.3% of the respondents are between 20-40 years. Majority 80% of them are married. Majority

64.7% of them are employees. Majority 65.3% of them are earning between Rs. 20000-40000.

Table 2: Brand of Milk Products Used by Customers

Sl. No.	Brand	Frequency	Percentage
1.	MILMA	98	65.3
2.	Muralya	24	16
3.	Sapins	20	13.3
4.	Others	8	5.3
Total		150	100

The above table depicts that 65.3% of the respondents are using milk and milk products of Milma, 16% of the them are using milk and milk products of Muralya, 13.3% of

them are using milk and milk products of Sapins, 5.3% of them are using milk and milk products of other brands.

Table 3: Reason for Preferring the Milk Brand

Sl. No.	Reason for preferring the milk brand	Frequency	Percentage
1.	Price	42	28
2.	Quality	40	26.6
3.	Brand value and trust	30	20
4.	Ease of availability	20	13.3
5.	Customer loyalty	18	12
Total		150	100

The above table depicts that 28% of the respondents are preferring a particular milk brand due to its price, 26.6% of the respondents are preferring a particular milk brand due to its quality, 20% of the respondents are preferring a

particular milk brand due to its brand value and trust. 13.3% of the respondents are preferring a particular milk brand due to its ease of availability. 12% of the respondents are preferring a particular milk brand due to customer loyalty.

Table 4: Respondents Willingness to Buy Products of Other Brands at Times of Stock out

Sl. No.	Willingness to buy products of other brands	Frequency	Percentage
1.	Yes	88	58.6
2.	No	62	41.3
Total		150	100

The above table depicts that 88% of the respondents are willing to buy products of other brands at times of stock out

and 62% of the respondents are not willing to buy products of other brands at times of stock out.

Table 5: Respondents Awareness towards Homogenization and Pasteurization Process

Sl. No.	Awareness towards homogenization and pasteurization process	Frequency	Percentage
1.	Yes	49	32.6
2.	No	101	67.3
Total		150	100

The above table depicts that 67.3% of the respondents are not aware about homogenization and pasteurization process

and 32.6% of the respondents are aware about homogenization and pasteurization process.

Table 6: Respondents level of satisfaction towards milk and milk products

Sl. No.	Level of satisfaction	Frequency	Percentage
1.	Satisfied	137	91.3
2.	Neutral	8	5.3
3.	Dissatisfied	5	3.3
Total		150	100

The above table depicts that 91.3% of the respondents are satisfied towards milk and milk products and 5.3% of the respondents are neutral towards milk and milk products and 3.3% of the respondents are dissatisfied towards milk and milk products.

6.2 One-Way ANOVA

- **H₀:** There is no significant difference in customer satisfaction with respect to age of customers.
- **H₁:** There is significant difference in customer

satisfaction with respect to age of customers.

Table 7: Respondents Level of Satisfaction and Age Groups

Satisfaction level	Age groups		
	<20 Years	20-40	40-60
Satisfied	13	88	38
Neutral	2	3	2
Dissatisfied	1	1	2
Total	16	92	42

Table 8: ANOVA Table

Sources of variation	Sum of Squares	Degree of Freedom	Mean Squares	F Value	Table Value
Between groups	1470	2	735	8.024	5.14
Within groups	5410	6	901.6		
Total	6880	8			

Table 9: Gender and Level of Customer Satisfaction

Term	Degree of freedom	Level of significance	P- Value	Chi- square Value	Remarks
Pearson Chi-square	2	0.05	5.991	1.49	Accepted

The chi-square test reveals that the calculated value of chi-square is less than P Value and hence the null hypothesis is accepted. Therefore it is concluded that there is no

significant relationship between gender and level of customer satisfaction.

Table 10: Age and Level of Customer Satisfaction

Term	Degree of freedom	Level of significance	P- Value	Chi- square Value	Remarks
Pearson Chi-square	4	0.05	9.488	5.06	Accepted

The chi-square test reveals that the calculated value of chi-square is less than P Value and hence the null hypothesis is accepted. Therefore it is concluded that there is no

significant relationship between age and level of customer satisfaction.

Table 11: Marital Status and Level of Customer Satisfaction

Term	Degree of freedom	Level of significance	P- Value	Chi- square Value	Remarks
Pearson Chi-square	2	0.05	5.991	12.22	Rejected

The chi-square test reveals that the calculated value of chi-square is greater than P Value and hence the null hypothesis is rejected. Therefore, it is concluded that there is significant

relationship between marital status and level of customer satisfaction.

Table 12: Occupation and Level of Customer Satisfaction

Term	Degree of freedom	Level of significance	P- Value	Chi- square Value	Remarks
Pearson Chi-square	6	0.05	12.592	22.8	Rejected

The chi-square test reveals that the calculated value of chi-square is greater than P Value and hence the null hypothesis is rejected. Therefore it is concluded that there is significant

relationship between occupation and level of customer satisfaction.

Table 13: Family income and Level of Customer Satisfaction

Term	Degree of freedom	Level of significance	P- Value	Chi- square Value	Remarks
Pearson Chi-square	6	0.05	12.592	4.98	Accepted

Here F value is greater than table value. Hence the null hypothesis is rejected. Therefore it is concluded that there is significant difference in customer satisfaction with respect to age.

and level of customer satisfaction.

6.3 Chi-Square Tests

6.3.1 Gender

- **H₀:** There is no significant relationship between gender and level of customer satisfaction.
- **H₁:** There is significant relationship between gender

The chi-square test reveals that the calculated value of chi-square is less than P Value and hence the null hypothesis is accepted. Therefore, it is concluded that there is no significant relationship between family income and level of customer satisfaction.

7. Findings of the study

The majority (66.7%) of the respondents belongs to the

category of female. The majority (61.3%) of the respondents belongs to the age group of 20-40 years. The majority (80%) of the respondents are married. The majority (64.7%) of the respondents are employees. The majority (65.3%) of the respondents are earning between Rs. 20000-40000. The majority (65.3%) of the respondents are using milk and milk products of Milma. The majority (28%) of the respondents are preferring a particular milk brand due to its price. The majority (88%) of the respondents are willing to buy other milk brands at times of stock out. The majority (67.3%) of the respondents are not aware about homogenization and pasteurization process. The majority (91.3%) of the respondents are satisfied with milk and milk products in Kerala.

8. Conclusion

Dairy products play a crucial role in the day-to-day diet of customers and offer several health benefits. This research identifies the influencing factors of customer satisfaction and measured the level of satisfaction towards milk and milk products in Kerala. The study reveals that the majority of respondents are satisfied with the milk and milk products available in Kerala.

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