

An Empirical study on consumer satisfaction in cooperative dairies of Punjab.

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Abstract:

Purpose: To examine the attitude of customers towards dairy products in Punjab with reference to Verka milk plant.

Design/methodology: The constructs of attitude and behavior are measured using scales with modification that represent variables of milk products for the daily use.

Finding: The present research explored the attitude of the customers from various plants such as Verka, Amul, Mother Dairy etc. by using questionnaire reveals that age, occupation, gender has influenced over the buying of food products..

Originality: The paper is an attempt on customers in punjab and has enough potential change the conventional ways of dairy working to customer oriented production to achieving customer satisfaction. It will enrich the literature reacting to dairy products.

Keywords: cooperative firms, milk plant, milk products.

Introduction:

A cooperative firm of organization is a voluntary relationship of persons, who join mutually for the furtherance of their financial interests. The guiding principle of cooperation is „self-help through mutual help“. “A cooperative is an independent association of persons united willingly to meet their common economic, communal cultural needs and aspirations through a jointly-owned and democratically controlled enterprise” These are business entities where people work together to solve common problems, seize moving opportunities and provide themselves with goods and services. A cooperative organisation is managed on such basis that the customers of a business are also the owners of the business. Each customer is free to become the a member of the cooperative society, thereby getting the advantage of success via a dividend payment. The beginning of this great movement is dated back to 1844, when a group of men known as the „Rochdale Pioneers“ began trade in grocery produces in England, based on a „new“ main beliefs of fair prices for dependable excellence goods. These organizations are recognized world wide, for their non-profit character. Voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among cooperatives and concern for community are the principles of cooperatives. It is a joint enterprise of those

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who are not financially strong and cannot stand on their legs and, therefore, come together to safeguard their interests in the face of exploitation by producers and sellers, working solely for maximizing profits. It is organized on democratic principle of equality by persons of moderate means and incomes, Self-help not dependence, form the foundation of a cooperative enterprise. The International Labor Organization has defined it as, “An association of persons, usually of limited means, who have voluntarily joined together to achieve a common financial goal through the configuration of a democratically controlled capital required and accepting a fair share of risks and benefits of the undertaking”.⁶ So, it aims at hopeful self-help on the part of inexpensively vulnerable sections of society by looking after their own interests in cooperation with one other.

A cooperative society is organized primarily with the object of providing services to its members in a certain field. The service motto of the society distinguishes it from all other forms of business organizations which are meant for profit motive. This does not mean that a cooperative organization will not at all work for profit. It is fairly usual for this type of organization to earn profits by extending their services to nonmembers. As a form of organization, it is an venture formed and directed by an association of users, applying within itself the rules of democratic system and directly to serve both its own members as well as non members to eliminate middlemen and to bring consumer and creator together and nearer to one another. This form of organization aims at ending of exploitation private business and the development of self-help on unpaid basis inspired by the ideal of organizing and inspiring the weaker sections of society through cooperative action.

MILKFED-PUNJAB

The Punjab State Cooperative Milk Producers’ Federation Limited popularly known as MILKFED Punjab, came into existence in 1973 with a twin objective of providing remunerative milk market to the Milk Producers in the State by value addition and marketing of produce on one hand and to provide technical inputs to the milk producers for enhancement of milk production on the other hand. Although the federation was registered much earlier, but it came to real self in the year 1983 when all the milk plants of the erstwhile Punjab Dairy Development Corporation Limited were handed over to Cooperative sector and the entire State was covered under Operation Flood to give the farmers a better deal and our valued customers better products. Today, when we look back, we think we have fulfilled the promise to some extent. The setup of the organization is a three tier system, Milk Producers Cooperative Societies at the village level, Milk Unions at District level and Federation as an Apex Body at State level. MILKFED Punjab has continuously advanced towards its coveted objectives well defined in its byelaws. § Home § Organization § Procurement § Products § Marketing § Achievements § Looking Beyond.

Verka - Punjab's leading milk brand

One of the leading dairy brands of North India, Verka, is yet another contribution from the state of Punjab. The flagship brand of the Punjab State Cooperative Milk Producers' Federation Ltd (Milkfed), Verka is today enjoying the patronage of customers both within and outside the country. Milkfed's future programmes can never be complete without Verka. Verka is a brand leader in milk powders particularly in northern & eastern sectors. The Milkfed brand commands a premium price over milk powders manufactured by competitors, which include multinational as well as private trade and other cooperative federations. Milkfed claims that Verka has carved a niche on the basis of the sheer strength of its quality, freshness and purity.

Milkfed is serving nationwide consumers through its network of Regional offices and strong distribution channels. Milkfed markets a wide variety of products, which include liquid milk, skimmed milk powder, whole milk powder, infant food, ghee, butter, cheese, lassi, SFM, ice cream, malted food and Verka Vigor etc. The annual turnover of Milkfed has touched to Rs 450 crore.

Milkfed states that it has successfully leveraged on the brand equity of Verka to launch new trends, needs, tastes and hopes. Verka brands included varied varieties of cheese like the processed cheddar cheese, cheese spread, and cheese singles. There are also milk powders like Dairy Whitener, Skimmed Milk Powder and Infant Milk Powder.

Health Drinks like Verka Vigour, Verka Lassi, Sweetened Flavored Milk and a mango drink called Raseela have also hit the markets. Milkfed has now come out with Verka Curd and a whole lot of different flavours of ice creams. Milkfed has also made a foray into the international markets. They say that it was the domestic competition that drove them to alien destinations. However, Milkfed has already established its ghee market in the Middle East. Verka ghee reaches all the Emirates and is available in almost all super markets. In addition to ghee, SMP is also exported to Asian Countries like Philippines, Bangladesh and Sri Lanka. Verka Malt Plus (Malted Milk food) is being exported to Bangladesh also.

With Technology Mission Programmes, ever widening markets and increasing exports, Milkfed is preparing itself to take Verka to greater heights. The federation has planned to introduce more value-added products like Tetra-Pack Plain Milk and low calorie lassi. It has also sought technical assistance from the Israel Dairy Board to initiate breed improvement and milk production enhancement programme in the state. Milkfed not only provides assured market to milk producers but also carries inputs to enhance milk to their doorsteps. The District Cooperative Milk Producer's Unions and Milk Plants have attained self-sufficiency or are on the threshold of attaining it. Milkfed has played a very vital role in providing a strong base for remunerative price to the producer; they get more money for their milk and payments are timely. In addition technical input services in feeding, breeding and management are easily accessible. Value addition is one of Milkfed's thrust areas and the plants produce not only pasturised, homogenised milk but also buttermilk, cream, cheese, ice cream, butter and clarified butter-oil (ghee) and several other products. The Milk Unions have marketed milk and milk products of the value of Rs 202.87 crore during the previous year.

It should be noted that the state government has recently announced a new project in which 78 bulk milk coolers are to be installed by the central government at the level of milk cooperatives in the districts of Ropar, Ludhiana, Gurdaspur and Patiala under a Centrally Sponsored Scheme. For this purpose, the Government of India has already released an amount of Rs 143.15 lakh for the installation of 24 bulk milk coolers for implementation of this programme in Ropar district. This move is expected to help the farmers to produce quality milk and get better farm gate price and consumers shall get quality milk. The budgetary outlay for the programme is Rs 1.41 crore. Milkfed is an apex body at the state level. It has 11 Milk Unions at district level operating 10 milk plants and more than 5,000 cooperative societies at village level with a total of 3 lakh members.

Apart from the main arena of collecting more and more milk and enrolling more and more milk producers, Milkfed and its units have a work force of about 5000 employees. Every morning and evening milk is lifted from the villages through private vehicles - this means regular employment to about 600 transporters, most of whom are self-employed. Some 10,000 workers man the milk procurement and technical input operations.

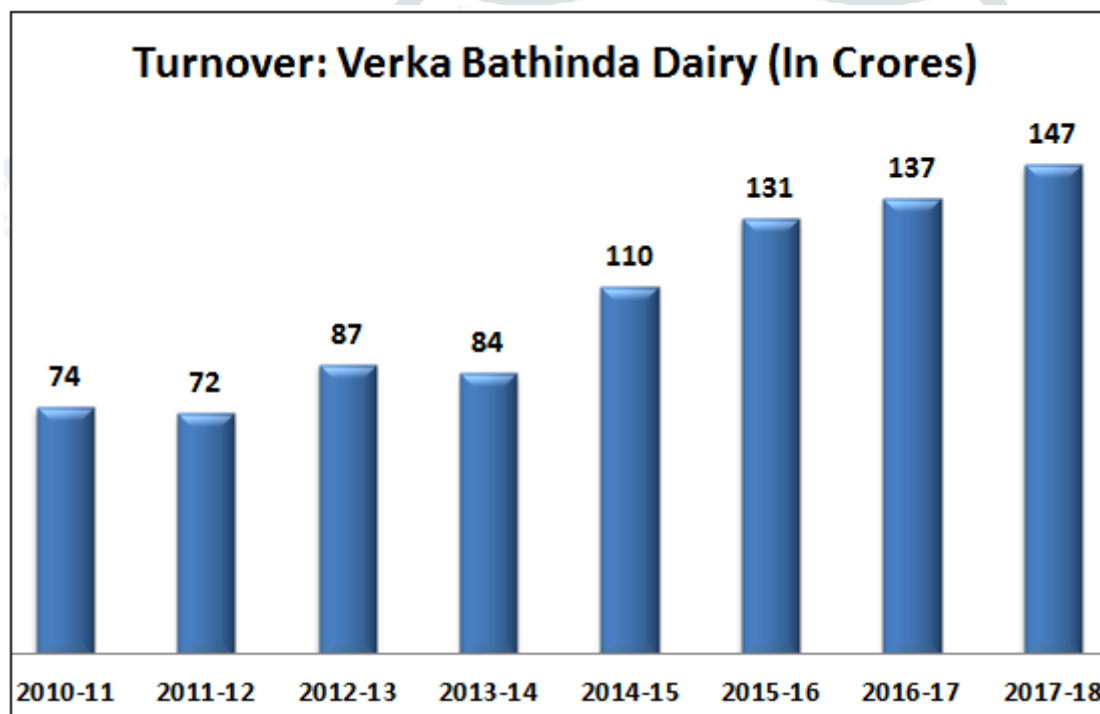
2.1 Swot Analysis of VERKA Dairy Industry

2.1 a STRENGTHS

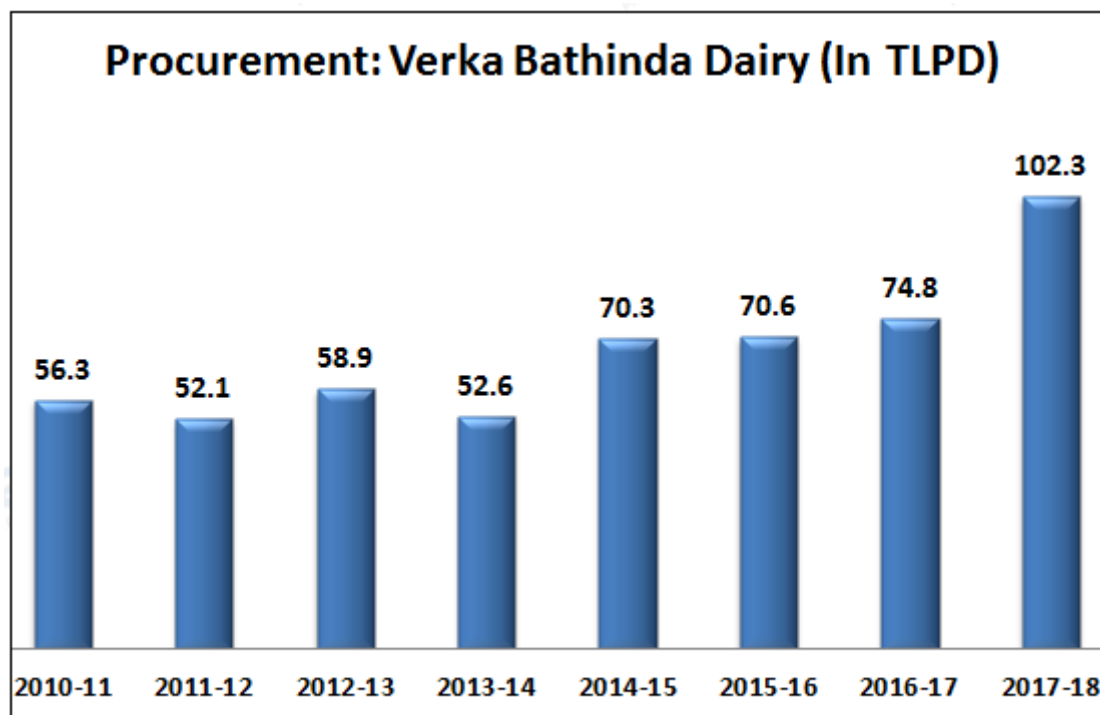
- Major Milk brand in India.
- Good Quality.
- Low Price.
- World's Largest Pouched Milk Brand.
- Too much Diverse Product Mix.
- Healthy Distribution Network.

2.1 b WEAKNESSES

- Risks of highly composite supply chain system.
- physically powerful dependency on weak infrastructure.



- **Procurement**



REVIEW OF LITERATURE

John et al, (2000) compiled a questionnaire stating the taste of home-made and commercial dairy ice-cream between various participants. It was concluded that out of 100% participants 56% participants was in favour of homemade ice-cream due to superior taste, quality and proper knowledge of ingredients.

K.M.Millar et al, (2002) studied two dairy technologies, bovine somatotropin and automatic milking system to evaluate the consumer's attitude towards these 2 dairy technologies. It was concluded that automatic milking system served as an ethical and an acceptable dairy system as compared to bovine somatotropin which served as a minor side.

Andrew et al, (2003) studied consumer response to the dairy sector in the UK. Stress was paid on factors that affect consumer purchasing and consumption behavior across wide range of dairy products.

Elaine et al, (2005) studied determine the level of acceptance of a hypothetical genetically modified dairy spread in a particular country (Ireland). He concluded that genetically modified product was rejected by most of the mentioned countrymen. Such information provided immense knowledge to the existing market players and to company's considering opportunities in the market.

Jane et al, (2006) studied the consumption patterns of fresh milk. Among yogurt drinks and flavour of milk and milk products are the main area of consumer's satisfaction consumer. Who purchased larger quantities of milk and milk products are those who have relatively higher household incomes.

John et al, (2008) investigated various factors affecting of milk perception in a country (Scotland). He studied various marketing campaign and its effectiveness in portraying milk as an effective healthy product. He concluded that there was a high recognition and positive attitude towards the campaign health benefits from the milk was viewed – but they did not Biz and Bytes (Vol. 6. Issue: 2, 2015) E-ISSN: 0976 0458, Print ISSN: 2320 897X 105 appear to be instrumental.

Research Methodology

NEED OF STUDY

The dairy industry plays an important role in the socio-economic development of India. The dairy industry in India is instrumental in providing cheap nutritional dairy products to its vast population and also generates huge employment opportunities for people in rural areas. Thus, the dairy cooperatives form an integral part of dairy industry in India. The state dairy cooperative federations play an important role in procurement and selling of milk and milk products. The Punjab State Cooperative Milk Producers' Federation Limited is playing important role in the development of dairy industry in the states of Punjab. Present study is an attempt to know about **working and organisation of corporate dairy industry in state of PUNJAB**.

RESEARCH DESIGNS

A research design is the set of methods and procedures used in collecting and analyzing measures of the variables specified in the problem research. Descriptive research design has been used.

OBJECTIVES

1. To examine the customer satisfaction of the Verka products in cooperative dairy Industry.

HYPOTHESIS

H0: There is no significant positive satisfaction among customers of verka products in cooperative dairy industry.

SAMPLE

Present research includes various dairy industries from the Punjab. Such as Verka, Amul, Mother Dairy, Macro Dairy Farm, Milk Food ltd.. From these dairy industries one industry is picked randomly for the research. Is Verka Milk Plant Bathinda.

DATA COLLECTION

The data from such organization has also been collected and researched also other states verka dairy's products by the consumers feedback. Data collection is done by two methods which are primary data collection and secondary data collection.

Primary data

The primary data will be collected through the questionnaire designed. In the process of data collection researcher went to the respective dairy industries to get the questionnaire filled. The preparation of the project report required me to visit the various other companies like Verka, Amul, Mother Dairy etc. in order to collect data.

Secondary data

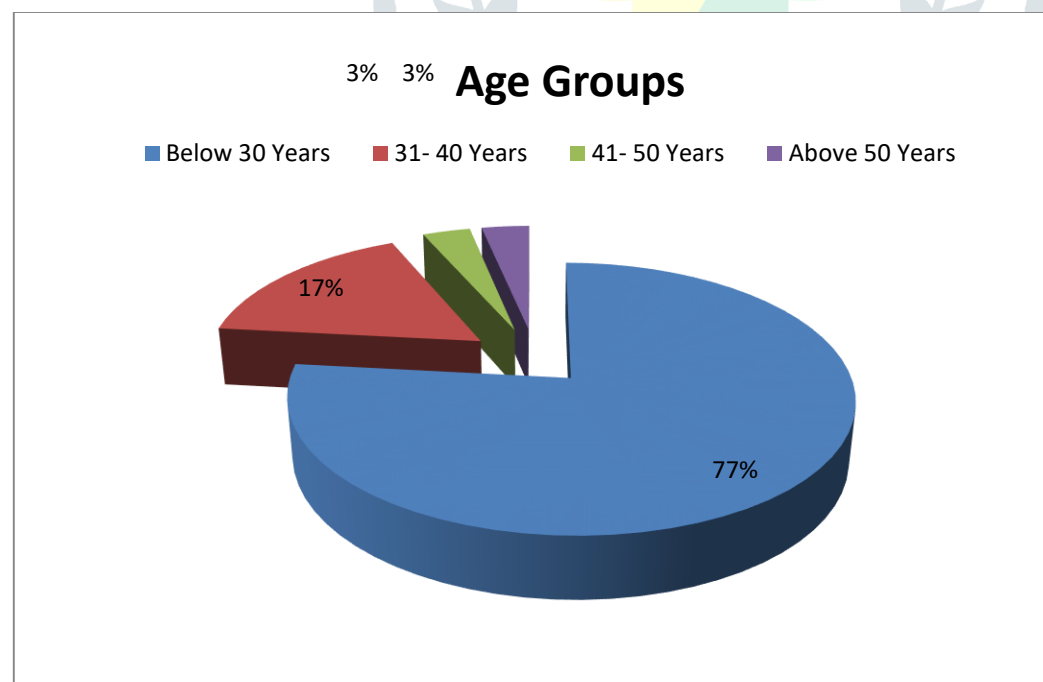
Researcher has used Milkfed website, research book for secondary data collection method. The findings & suggestions are based on personal intellectual.

Analysis and interpretation:

Age Group of the Respondents

Table no.1

Age Groups	Percentage
Below 30 Years	76.7
31- 40 Years	16.7
41- 50 Years	3.3
Above 50 Years	3.3



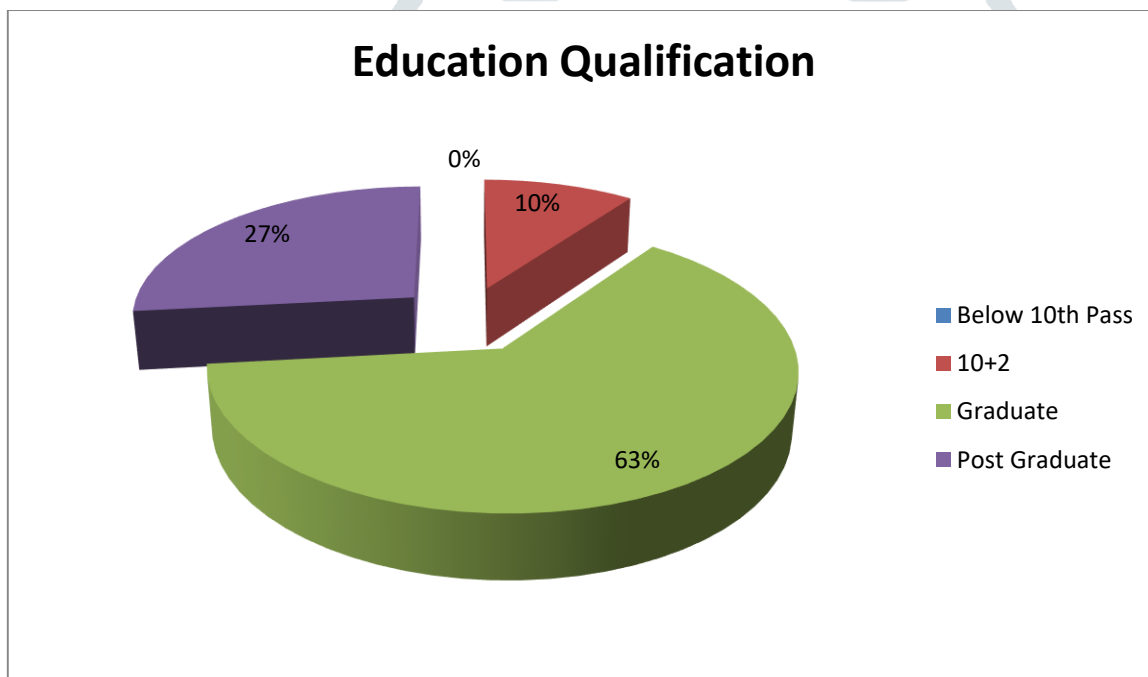
The table number 1. Showing the age of respondent, indifferent colours showing different age slab. The blue colour showing age below 30 years slab which is 77% and the red colour showing age between 31

years to 40 years slab which 17%. And green colour showing age between 41 years to 50 years slab which 3%. Purple colour showing the age above 50 years slab which 3%.

1. Educational Qualification of Respondents

Table No.2

Education Qualification	Percentage
Below 10th Pass	0
10+2	10
Graduate	63.3
Post Graduate	26.7



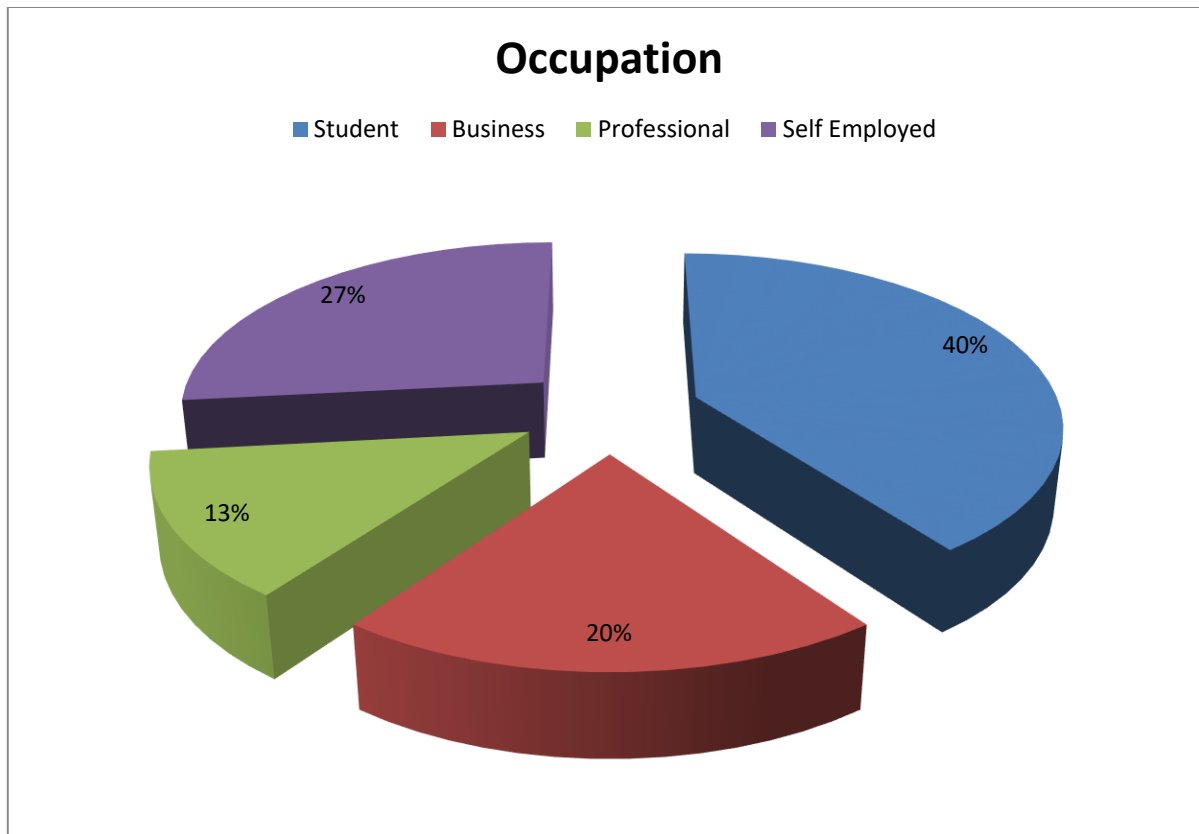
The table no.2 show the qualification of the different responder. Blue colours show the number of person who has their qualification below 10th which is 0%. And red colour show the number of 10+2 which is 10%. And the green colour show the number of person who are graduate which is 63% and the purple colour shows the no. of person who are post graduate which is 27%.

2. Occupation of Respondents

Table No.3

Occupation	Percentage
Student	40

Business	20
Professional	13.3
Self Employed	26.7



This table number no. 3. Shows the occupation of the respondent, Red colour shows the percentage of respondent who are engaged in business which is 20% , blue colour shows that how many respondents are student, the green colour shows the respondents are professional which is 13% and the purple colour shows the respondents who are self employed.

Recommendations regarding pricing:

Following suggestions can be considered for improving pricing strategies of companies:

1) Introduction of coupon system:

Milk is the commodity that is daily bought and consumed within households. It is cumbersome for consumers to make payment daily as change for currency is not available at times. There are offered candies in return for change which many of the consumers do not like. This problem can be solved by introducing milk coupon which can be bought from agencies. Coupon system has been successfully implemented by several individual distributors in their respective areas. It is needed to be implemented in entire city.

2) Pricing in round figures:

Milk sellers often do not have fifty paise coin or change with them so they often sell milk at higher prices. This problem can be curbed by keeping the prices in whole number multiple of rupee. People buying milk using coupons can be this discount of fifty paise. This will encourage more people to for milk coupon.

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