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A Study on Consumer Influencing Factors in purchasing dairy products from Organized and Unorganized Sector

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Abstract

The Consumers play a vital role in the marketing of dairy milk. Several factors influence the consumers in buying the dairy products. Based on the experience, it was realized that there was need for an organized dairy sector. It was felt that a suitable infrastructure must be evolved to help increasing dairy products and its availability. Such institutional support should aim at safeguarding the interest of producers as well as consumers of milk. There are three forms of organizations viz., private, public and cooperatives engaged in production, procurements, processing and sale of milk. The private operators have always been interested in maximizing their own profits and are not concerned with productivity of milk. The study was conducted in chittoor district, Andhra Pradesh to analyze the consumer's perception about organized and unorganized dairy sectors and the factors influencing their perception, and the factors which were taken into account were – Preferred taste, More Hygienic preparation, Price, Better quality, Clean and attractive packing, Effective advertising, Availability of stock, required quantity, door to door delivery and customer relationship programmes.

DAIRY INDUSTRY IN INDIA

India is the world's largest producer of dairy products by volume, accounting for more than 13% of world's total milk production, and it also has the world's largest dairy herd. As the country consumes almost all of its own milk production, India was neither an active importer nor an exporter of dairy products prior to year 2000. However, since the implementation of Operation Flood Programme, the situation changed significantly and imports of dairy products reduced to very small quantities. From 2001, India has become a net exporter of dairy products and after 2003 India's dairy import has dipped while exports have increased at a fast rate. Yet the country's share in global dairy trade still remains at minor levels of 0.3 and 0.4 percent for exports and imports respectively. This is due to the direct consumption of liquid milk by the producer households as well as the demand for processed dairy products that has increased with the growth of income levels, which have left little dairy surpluses for export. Nevertheless, India consistently exports specialty products such as casein for food processing or pharmaceuticals. The Indian dairy sector is also different from other dairy producing countries as India places its emphasis on both cattle and buffalo milk. In 2010, the government and the National Dairy Development Board (NNDB) have drawn up a National Dairy Plan (NDP) that proposes to nearly double India's milk production by 2020. This plan will endeavor to increase the country's milk productivity, improve access to quality feeds and improve farmer access to the organized market. These goals will be achieved through activities that focus on increasing cooperative membership and growing the network of milk collection facilities throughout India. Despite its huge production volume, India nevertheless faces a milk supply gap due to increasing demand from a growing middle class population. Estimation suggests that Indian dairy production is growing at a rate of about four percent per year, yet consumer demand is growing at approximately double that rate. Apart from the rapidly increasing demand for milk and dairy products, other reasons such as the increased cattle feed cost and low availability of dairy farm labour in the rural areas have also resulted in increase in the cost of production. On the other hand, the strong pressure from European Union to open up its market as well as the proposed free trade agreement with Australia and New Zealand may also put a threat on India's dairy sector. In order to maintain the development of its dairy industry, focus needs to be placed on several areas. First, cost of production has to be reduced through increasing productivity of animals, improve animal health care and breeding facilities and management of dairy animals. Second, Indian dairy industry needs to further develop proper dairy production, processing and marketing infrastructure, which is capable of meeting international quality requirements. Third, India should focus on buffalo milk based specialty products, such as Mozzarella cheese, in order to meet the needs of the target consumers.

INDIA is the 2nd largest in the emerging economies in the world, with a GDP growth rate of 6.5%, 3^{rd} largest economy in the world (based on PPP) with a GDP of US $ 4.4 trillion, and according to BRIC report published by Goldman Sachs, India will be the 2 largest economy after China by the year 2035.

The sea of changes, which is passing through the world, is also exercising a growing influence on the dairy industry. The number of milk producers is falling rapidly, the dairy processing industry is becoming more and more highly concentrated, and the international dairy markets are increasingly liberalized and are giving greater opportunities to low cost producers, including many from developing countries.

In India, Milk is produced by masses and therefore development in dairying would have direct impact on the lives of millions of the rural masses engaged in rearing milch animals. It is expected that dairying can bring about socio-economic changes to 8.475 million people working in Indian dairy sector. With expected continuous growth of Milk production, more and more people will get employment in dairy related profession and therefore will assist in more income generation. It is likely that newer biotechnological tools coupled with classical breeding programmes will enhance animal productivity and make dairying a more profitable profession.

Unless the consumer behaviour is thoroughly understood from time to time, it would not be possible for the marketers to design appropriate marketing practices to appeal and influence the varied segmented consumers. Thus, the present study of consumer behaviour becomes imminent for the marketers to withstand the onslaughts from the competitors and survive in the market. The cumulative result of all these elements promotes Milk and Milk products to increase the consumption level which provides betterment to the villagers, dairy farmers and country's economy by exporting dairy products. The study falls under both exploratory and descriptive research, and adopted survey method for exploring consumer purchasing preferences and patterns and consumer buying motivation.

REVIEW OF LITERATURE

Rajendran and Mohanty (2004) explained that the operation Flood and dairy co-operatives emerged in India as the largest rural employment scheme, enabling the modernization of the dairy sector to a level from where it can take off to meet not only the country's demand for milk and milk products but can also exploit global market opportunities. This study reviews the existing status of milk marketing and dairy co-operatives in India and provides recommendations to meet future challenges. The results of the study indicate that 80 percent of the milk produced by the rural producer is handled by an unorganized sector and the remaining 20 percent is handled by an organized sector. It is found that the dairy co-operatives play a vital role in alleviating rural poverty by augmenting rural milk production and marketing. Involvement of intermediaries; lack of bargaining power by the producers; and lack of infrastructure facilities for collection, storage, transportation, and processing are the major constraints which affect the prices received by producers in milk marketing. Milk quality, product development, infrastructure support development, and global marketing are found to be future challenges of India's milk marketing.

India Post (2008) opined that the demand for value added milk products, such as cheese, dahi (Indian yoghurt) and probiotic drinks is increasing at a double-digit rate. At present, India seems to be self-sufficient in meeting its requirement for milk and milk products. However, given that demand is growing faster than supply, there could be serious issues with respect to self-sufficiency in the near future. Any increase in milk production is dependent on the farm gate price received by the producer. Farm gate prices have increased by more than 50 percent in the last three years. Focused efforts would be required on two fronts increasing farm size (currently the average number of animals per producer is three to four), and increasing productivity of milk producing animals. Global milk production, approx.655 million tonnes in 2006/07, is estimated to be growing at 1.6 percent per annum. India ranks second in terms of milk production and accounts for 15 per cent of global production. Annual milk production in India was at 100.9 million tonnes in 2006-07 and was growing at 4 percent per annum. The market for liquid milk, as well as value-added dairy products, is still largely dominated by the unorganized sector. India has an insignificant share of the global dairy trade, less than 1 per cent, despite being a leading producer of milk.

Rama Prasad (2004) the researcher investigated on 'Consumer Preferences in Dairy Industry with Special reference to Vishakhapatnam District'. The study has been organized on a sample of 300 households of families and 100 agents. The study found that Quality plays an important role in influencing the preferences of consumers regarding selection of a brand. It was found in the study majority of the consumers are buying milk at agent's milk booth. The researcher examines in this study most consumers buying decisions are influenced by the preferences they have about the product. The milk product image is formed out of the knowledge the consumers have about the products such as price, quality, availability, accessibility, etc. So the manufacturers have to produce the product with all the above requirements.

OBJECTIVES OF THE STUDY

- To Identify the Factors influencing Store Selection in purchasing dairy products
- To Study the Consumer Influencing Factors in purchasing dairy products from unorganized Sector
- To Examine the Consumer Influencing Factors in purchasing dairy products from Organized Sector

DATA COLLECTION:

A Survey was conducted, using a structured questionnaire on 600 households from various mandals of Chittoor district drawn by convenience sampling method. Their responses were analyzed with particular focus on the demographics of the respondents, their perceptions and preferences towards various factors of their buying behaviour with respect to four dairy products namely Milk, Butter Milk, Curd and Ghee. All the factors and scales used in the questionnaire were framed from the extensive review of literature in the area of consumer motivation factors in dairy products.

Data collected both from secondary and primary sources. ***Secondary data*** was collected from periodicals, text books, reports and Internet. The secondary data was used to obtain data on growth and development in dairy industry in Andhra Pradesh and various models and theories published in the form of articles from different sources.

Primary data for the study was collected from consumers of dairy products during September 2013 to May 2014. Questionnaire method was used to collect the reliable data from both urban and semi-urban consumers.

Questionnaire

Questionnaire is one of the most commonly used research tools in consumer behaviour research and is highly useful when data is collected from a representative sample of a larger population. This study needs development of a questionnaire to examine the Factors influencing Store Selection in purchasing dairy products, Consumer Influencing Factors in purchasing dairy products from Organized and unorganized Sector.

The questionnaire developed was initially screened and a pilot study with a size of 25 responses was conducted before arriving at the final questionnaire from various locations in Chittoor district for improving the quality based on the options and language suggestions given by the sample respondents.

DATA ANALYSIS:

Profile of the Respondents

The present study has collected responses from 600 household consumers across various areas in Chittoor district. The respondents were selected from urban areas as well as from semi-urban areas and the number of responses drawn from these areas are shown in ***table 1.***

Table 1 Geographical Location-wise Distribution of Sample

Respondents ***(N=600)***

Urban Area	Sample	Semi-Urban Area	Sample
Tirupati	100	Srikalahasti	100
Chittoor	100	Puttur	100
Madanapalli	100	B. Kothakota	100
Urban	**300**	**Semi-Urban**	**300**

(Source: Primary data)

All the above areas were selected based on the population density according to the Census 2011 report. There exists no relationship between sample number drawn and density of population. A sample of 100 was drawn from each selected urban areas and semi-urban areas uniformly based on the convenience of the researcher.

Table 2 Demographic Profile

The demographic characteristics of the respondents that are considered in the present study are gender, age, and educational qualifications. Distribution of respondents based on their demographic characteristics, are shown in the ***table 2*** Analytical aspects of these characteristics are worth noting.

The final sample (N=600) was composed of 337 males (56.2 %) and 263 females (43.8 %). The maximum number of respondents falls in the age group of ‘above 40 years’ (45.3 %) and the minimum number of respondents was found in the age group ‘below 25 years’ (26.3%). 170 respondents falls in the age group of ‘25 – 40 years’ (28.3%).The educational qualifications of the respondents, most of them i.e. 235 (39.2 %) are having low education i.e. below graduation such as S.S.C. or Inter – pass/fail. 184respondents (30.7%) are graduates and 181 respondents are post graduates (30.2%).

Table 2 Demographic Profile of the Respondents (N=600)

Demographic Characteristics	Groups	Frequency	Percent
Gender	Male	337	56.2
	Female	263	43.8
	Total	600	100
Age of the Respondents	Less than 25	158	26.3
	25 - 40	170	28.3
	More than 40	272	45.3
	Total	600	100
Educational Qualifications	Below Graduation	235	39.2
	Graduation	184	30.7
	Post-Graduation	181	30.2
	Total	600	100

(Source: Primary data)

Table 3 Household Profile

Table 3 shows the frequency details of household characteristics of the respondents such as family's monthly income, adult members in the family, children in the family, age of the family head and food habits.

Majority of the respondents were in 'below Rs. 15,000/-' category i.e., 242 (40.3 %) which shows the poor purchasing power of the respondents in Chittoor district. Rest of the respondents was equally distributed in other categories of family income such as 176 (29.3 %) in 'Rs. 15,000 – Rs. 25,000/-' and 182 (30.3 %) in 'above Rs. 25,000/-'.

The responses collected showed that majority of the families are having middle aged persons (38.5 %) as head of the family i.e. '25-40 years'. The next major group is 'below 25 years' i.e. 187 respondents (31.2%) and182 respondents comes under the group 'above 40 years' (30.3 %).

Majority of the respondents have no children i.e., 315 (52.5 %). 155 respondents have one child (25.8 %) and 130 respondents have two or three children's (21.7 %).

It was found from the survey that majority of the respondents are non-vegetarians i.e., 448 (74.7 %) and 152 members were found to be vegetarians (25.3 %).

Table 3 Family Characteristics of the Respondents (N=600)

Family Characteristics	Groups	Frequency	Percent
Family's Monthly Income *(in rupees)*	< 15,000	242	40.3
	15,000 – 25,000	176	29.3
	> 25,000	182	30.3
	Total	600	100
Age of the Family Head *(in years)*	Less than 25	187	31.2
	25 – 40	231	38.5
	Above 40	182	30.3
	Total	600	100
Adult members in the Family *(above 12 years of age)*	Less than 3	155	25.8
	3 – 5	252	42.0
	More than 5	193	32.2
	Total	600	100
Children in the Family *(less than 12 years)*	No Children	315	52.5
	One child	155	25.8
	Two or three children	130	21.7
	Total	600	100
Food Habits	Vegetarian	152	25.3
	Non-Vegetarian	448	74.7
	Total	600	100

(Source: Primary data)

STORE SELECTION

It is important to study the store selection and the factors considered by the consumer while choosing the store for purchasing dairy products to make better understanding of consumer behaviour with respect to dairy products. Based on the literature available and interviews with retailers, the present study has listed thirteen factors that consumer look for while choosing the store for their shopping with reference to dairy products.

Table 4 *Summary table of store selection factors in dairy products*

Influencing Factors	*Milk*		*Butter Milk*		*Curd*		*Ghee*	
	Mean	*S.D.*	*Mean*	*S.D.*	*Mean*	*S.D.*	*Mean*	*S.D.*
Availability of superior quality products	4.07	1.261	3.77	1.082	4.04	0.871	3.81	1.340
Reliable in dealings	4.05	0.808	3.65	0.874	3.62	0.995	3.58	1.266
Reasonable / competitive prices	3.81	1.004	3.93	0.860	3.79	1.054	3.74	1.155
Wide range of products / brands available	3.67	1.109	3.61	1.080	3.60	1.058	3.50	1.265
Nearer to residence	3.46	1.209	3.55	1.191	3.23	1.172	3.13	1.265
Credit facility	3.28	1.197	3.15	1.276	3.06	1.236	3.06	1.236
Acceptance of bank credit cards	2.69	1.365	2.75	1.245	2.78	1.207	2.76	1.288
Good/Friendly salesmanship	3.58	0.977	3.29	1.049	3.37	1.076	3.26	1.171
Good environment inside the store	3.78	0.890	3.55	0.932	3.63	0.948	3.53	1.064
More social prestige	3.03	1.234	2.89	1.167	2.87	1.119	2.86	1.219
Store belongs to known people	2.99	1.123	2.88	1.098	2.93	1.138	2.99	1.175
Availability of door delivery facility	3.43	1.314	3.42	1.213	3.42	1.189	3.31	1.256
Scope of bargaining	2.98	1.133	2.68	1.116	2.92	1.179	2.93	1.293
Overall Store Selection Score	**3.47**	**0.558**	**3.32**	**0.548**	**3.33**	**0.610**	**3.27**	**0.731**

(Source: Primary data)

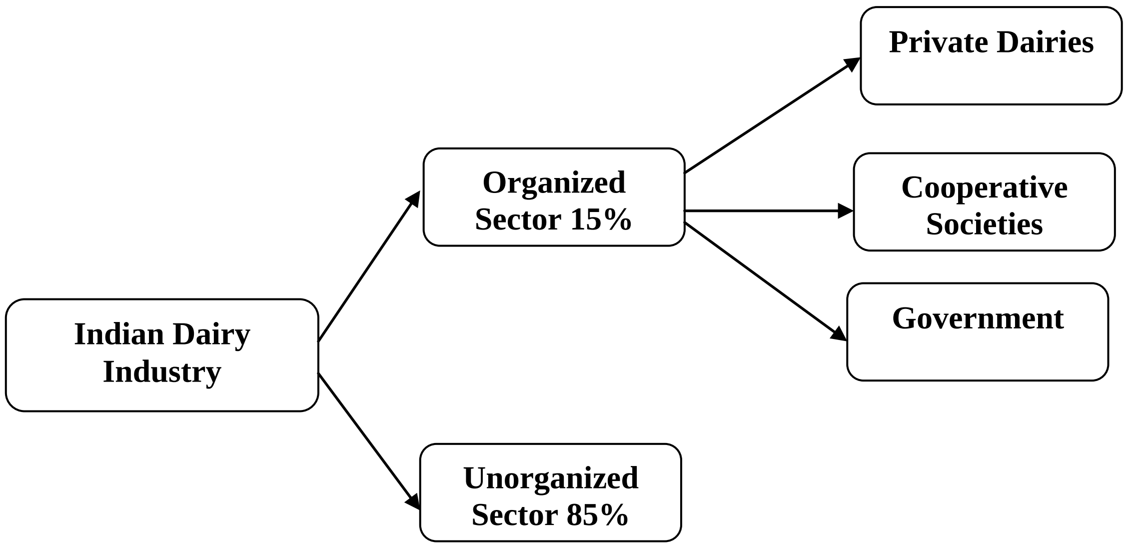
Table 4 exhibits the summarized tabulation of means and standard deviations of the frequencies for Milk, Butter Milk, Curd and Ghee to make appropriate inferences. From the table, it can be listed that the influencing factors in selecting the store for Milk and Ghee are 'availability of superior quality products', 'reliability in dealings', 'reasonable prices' and 'wide range of products availability'. The overall score found to be low for Ghee and high for Milk. The overall mean scores of Butter Milk and Curd found to be very close to each other.

ORGANIZED Vs UNORGANIZED SECTOR

The share of organized market has steadily increased over the last three decades, the informal sector comprising middlemen, private Milk traders and direct sale from producer to consumer, still accounts for nearly 80 percent of marketed Milk and Milk products in the country. Trends indicate that, the informal sector will continue to play its dominant role in Milk marketing in the future.

In India, traditionally, dairy products are being marketed by local small scale units, mostly without any brand names and patents. But in recent times, lot of changes has occurred in the dairy industry because of co-operative societies, companies and multinational corporations. The present day consumer, thus, has opportunity to purchase the dairy products from the both sectors i.e. organized or unorganized. In order to find out the consumer preference in purchasing dairy products, the respondents were asked to indicate their preferred sector. They were asked to give level of agreement across various influencing factors in purchasing dairy products from both organized and unorganized sector.

Structure of Dairy Industry in India



The dairy sector plays a significant role in rural economic development generating employment to over 72 million people. The dairy sector in India has witnessed significant developments over the past decade encouraged by Government's intensive dairy development policies such as 'Operation Flood'. The sector offers immense scope to private players to tap the growing demand for value added dairy products that offer better margins as compared to liquid milk. Private investments in the dairy sector are witnessing growth. With the spread of organized retailing, multinational players have evinced a keen interest in the value added dairy products segment and are evaluating options to enter the Indian market.

The supply and distribution model practised in the dairy sector in India is different from the practice in western countries- milk procurement, processing and distribution in India are largely carried out by co-operative societies which offer small and marginal farmers a fair price realization for their produce. Domestic dairy sector is characterized by a large share (around 85%) of small local players operating in the unorganized sector. The organized dairy sector comprises co-operative societies and large private players with established supply chain.

Table 5 portrays the frequencies of various agreements recorded from the survey for the different factors that are responsible for preferring dairy products from organized sector. The respondents revealed that 'clean and attractive packing' is the major advantage of organized market and preferring factor in purchasing dairy products from organized sector (Mean = 4.34).

The second important factor is 'better quality'. Respondents believes that dairy products which are purchased from organized sectors are having high quality than unorganized factor (Mean = 4.22).

The third influencing factor is 'taste' (Mean=4.16). In organized sector, the dairy products are available in different percentage of fat content in case of Milk such as toned Milk with 3% fat, full cream Milk with 6% fat, standardized / cow Milk and slim Milk with 0.5% fat. These varieties are named differently by various companies such as gold, toned, double toned, standard etc. Similarly in Ghee, there are two varieties: Cow Ghee and Buffalo Ghee with different fat contents. Respondents who prefer taste are choosing Milk with more percentage of fat content and respondents who are health conscious prefers low percentage of fat content in Milk. Respondents believe that the processed Ghee is having low fat content than unprocessed Ghee from unorganized sector. These types of different varieties are not available in unorganized segment which makes an advantage to organized market.

Table 5 ***Consumer Influencing Factors in purchasing dairy products from 'Organized Sector'*** ***(N=600)***

Influencing Factors	***1***	***2***	***3***	***4***	***5***	***Mean***	***S.D.***
Preferred taste	23 (3.8)	8 (1.3)	7 (1.2)	375 (62.5)	187 (31.2)	4.16	0.835
No fear of adulteration	5 (0.8)	138 (23.0)	171 (28.5)	230 (38.3)	56 (9.3)	3.32	0.958
More hygienic preparation	69 (11.5)	39 (6.5)	109 (18.2)	221 (36.8)	162 (27.0)	3.61	1.265
Easy availability	-	73 (12.2)	92 (15.3)	293 (48.8)	142 (23.7)	3.84	0.923
Better quality	20 (3.3)	17 (2.8)	42 (7.0)	252 (42.0)	269 (44.8)	4.22	0.940
Clean and attractive packing	2 (0.3)	-	36 (6.0)	315 (52.5)	247 (41.2)	4.34	0.621
Effective advertising	51 (8.5)	123 (20.5)	194 (32.3)	184 (30.7)	48 (8.0)	3.09	1.079
Influence of others	117 (19.5)	189 (31.5)	197 (32.8)	48 (8.0)	49 (8.2)	2.54	1.136
Overall Preference Score for Organized Sector						**3.64**	**0.555**

Anchors: 1 – Very low preference, 2 – Low preference, 3 – Neutral, 4 – High preference& 5 – Very high preference.

Note: Values in brackets represent percentages.

The next important factor that counts more in organized sector is 'easy availability'. Respondents prefer dairy products from organized sector because of its 'easy availability' (Mean=3.84). Some consumers prefer dairy products from unorganized sector, because of its non-availability they are purchasing from organized sector.

Respondents perceived that dairy products produced by dairy firms are prepared in 'more hygiene environment' (Mean=3.61), on the other side some respondents also expressed their 'fear of adulteration' (Mean = 3.32).

The other influencing factors such as 'effective advertising' and 'influence of others' were found to be weak with mean values 3.09 and 2.54 respectively. The overall preference score stands at a mean of 3.64 with a standard deviation of 0.555. This shows that there is a positive preference given by the respondents to purchase dairy products from organized sector.

Table 6 illustrates the respondent's perception and preference towards purchasing dairy products from unorganized sector. The major influencing factor in purchasing dairy products from unorganized sector is 'regular supply' (Mean=4.07).

Table 6 Consumer Influencing Factors in purchasing dairy products from unorganized Sector

Influencing Factors	***1***	***2***	***3***	***4***	***5***	***Mean***	***S.D.***
Low prices	147 (24.5)	99 (16.5)	85 (14.2)	182 (30.3)	87 (14.5)	2.94	1.424
Local availability	28 (4.7)	144 (24.0)	78 (13.0)	297 (49.5)	53 (8.8)	3.34	1.078
Non-availability of reputed brands	80 (13.3)	98 (16.3)	263 (43.8)	134 (22.3)	25 (4.2)	2.88	1.036
Available in required quantities	9 (1.5)	78 (13.0)	140 (23.3)	237 (39.5)	136 (22.7)	3.69	1.010
Regular supply	32 (5.3)	23 (3.8)	44 (7.3)	276 (46.0)	225 (37.5)	4.07	1.039
Available on credit terms	106 (17.7)	109 (18.2)	134 (22.3)	158 (26.3)	93 (15.5)	3.04	1.332
Liked and recommended by others	85 (14.2)	222 (37.0)	128 (21.3)	110 (18.3)	55 (9.2)	2.71	1.186
Overall Preference Score for Un-Organized Sector						**3.24**	**0.762**

Anchors: 1 – Very low preference, 2 – Low preference, 3 – Neutral, 4 – High preference& 5 – Very high preference.

Note: Values in brackets represent percentages.

The next important influencing factor was found as 'available in required quantities' (Mean=3.69). In organized sector, pack sizes of 200ml and 500ml are available. The customer has to buy any of these packs, and no option for getting his/her desired quantity of product i.e., customization. But, in unorganized sector, the quantity can be according to the customer.

The next influencing factor that respondents consider while purchasing from unorganized sector is 'local availability' (Mean=3.34). When the brands are not available in near places, the customers choose locally available and produced dairy products. The other factors such as 'low price', 'non-availability of reputed brands', and 'others influence' found to be weak or negative with means less than 3. The 'credit terms' found to be neutral (Mean=3.04). Overall, the mean score stands at 3.24, which is less than the score obtained from consumer preference towards organized sector. Hence, it can be inferred that consumers prefer to buy dairy products from organized sector.

LIMITATIONS OF THE STUDY

The major limitations of the present study were listed as follows:

- The study is limited to three revenue divisions i.e. Tirupati, Chittoor and Madanapalli of Chittoor district. The sample taken may be inadequate to throw accurate figure on the consumer acceptability.
- Availability / Non availability of different leading brands in selected places during the survey.
- The consumers were very reluctant to answer the questionnaire and the response collected may not be free from biased information.

FINDINGS:

Store Selection: The influencing factors in selecting the store for Milk and Ghee are 'availability of superior quality products', 'reliability in dealings', 'reasonable prices' and 'wide range of products availability'. The overall score found to be low for Ghee and high for Milk. Domestic dairy sector is characterized by a large share (around 85%) of small local players operating in the **unorganized** sector. The **organized** dairy sector (15%) comprises co-operative societies and large private players with established supply chain.

The respondents revealed that clean and attractive packing is the major advantage of organized market and preferring factor in purchasing dairy products from organized sector. The second important factor is better quality. Respondents believe that dairy products which are purchased from organized sectors are having high quality than unorganized factor.

The next important factor that counts more in organized sector is easy availability. Respondents prefer dairy products from organized sector because of its easy availability. Some consumers prefer dairy products from unorganized sector, because of its non-availability they are purchasing from organized sector.

The next important influencing factor was found as available in required quantities. In organized sector, pack sizes of 200 ml and 500 ml are available. The customer has to buy any of these packs, and no option for getting his/her desired quantity of product i.e., customization. But, in unorganized sector, the quantity can be according to the customer.

SUGGESTIONS:

For Unorganized Sector

- Researcher suggests that if the unorganized sector gives adequate importance to get feedback from shoppers about the dairy products they offer to them that will help them to retain the existing buyers.
- A better assortment strategy may be reconstituted to target the consumers who are lying in the income group of less than Rs.15, 000/- per month.

For Organized Sector

- Researcher suggests that the organized sector should take effective care on consumer complaint management, if it works out well, it would help them to retain more number of consumers.
- A comprehensive credit scheme may help the organized sector to enhance their sales potential and growth.
- A comprehensive segmentation strategy may be developed to focus on the consumer groups with income less than Rs.15, 000/- and below, with a positioning package of volume cum beneficial base.

CONCLUSION:

This present study was conducted with the purpose of understanding the changes taking place in the minds of the consumers regarding organized and unorganized dairy sector. The researcher observed that due to the changes in the demographic system of consumers, and the awareness of quality, changes in consumer taste, changes in consumer income levels, consumers prefer to buy different products both from the organized and unorganized dairy sectors. Both the organized and unorganized dairy sectors endeavor to implement various value – added services to provide pleasant shopping experience to consumers. The researchers have given suggestions to bridge this gap, and the same have been presented in the form of suggestions to both organize and unorganized sectors.

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