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Founder President & Chancellor - Late Prof. Dr. (Col) A. Balasubramanian

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Research & Consultancy Report on

Mapping Consumer Preferences: A Diagnostic Study of Cow Milk Sales in Pimpri-Chinchwad (PCMC) Region



Prepared By:

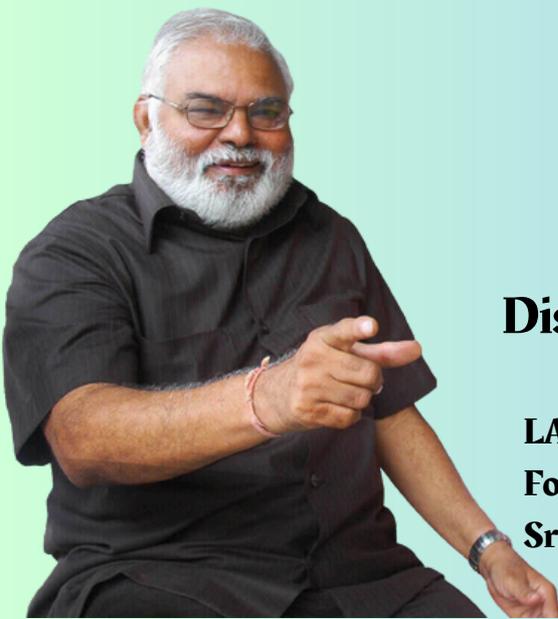
Research and Development Cell,
SBUP

Presented To:

Kolhapur Zilla Sahakari Dudh Utpadak
Sangh Ltd.
(Gokul)



SRI BALAJI UNIVERSITY, PUNE



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LATE. PROF. DR. (COL.) A. BALASUBRAMANIAN
Founder President & Chancellor,
Sri Balaji University, Pune



EXECUTIVE SUMMARY

The dairy industry, particularly in the Pune region, is witnessing a surge in demand for cow milk and milk-based products. Kolhapur Zilla Sahakari Dudh Utpadak Sangh Ltd. (Gokul), a prominent player in Maharashtra, aims to enhance its cow milk sales in Pune by understanding consumer preferences and market dynamics. The market research outlines the rationale, objectives, methodology, and research questions aimed at achieving this goal.

Gokul has a rich history of delivering quality dairy products and has emerged as a leader in the highly competitive market. However, despite the success of its other products, cow milk sales face stagnation in the Pune region, particularly in the Pimpri-Chinchwad Municipal Corporation (PCMC) area. Understanding consumer preferences and market trends is crucial to address this challenge.

The study aimed to assess competitive position of Gokul, analyse the factors contributing to the low acceptance of Gokul cow milk, explore consumer preferences for traditional and modern milk-based products, and gather feedback from distributors and dealers regarding sales and support services. A comprehensive mix of qualitative and quantitative methods was employed, including in-depth interviews with distributors, structured surveys with sub-dealers and consumers, field visits to Gokul Dairy Head Office, and focus group discussions with managers and operational heads. The study area covered key regions in Pune. Pilot testing was initially conducted to refine data collection strategies. Data analysis utilized basic descriptive statistics to derive actionable insights. The Engel Kollat Blackwell's Model is applied to gain insights into the decision-making processes of consumers regarding their milk choices.

The findings depict the behaviour of consumers towards packaged milk brands, focusing on brand awareness, quality perception, price perception, packaging perception, and brand loyalty. The consumers generally exhibit a preference for familiar brands and prioritize perceived quality over price. However, there is still some price sensitivity, and packaging moderately influences buying decisions. Factor analysis reveals underlying factors shaping brand behaviour namely, brand loyalty, perceived milk quality, price sensitivity, and packaging influence. Brand loyalty and perceived quality emerge as significant factors affecting consumer choices. With respect to brand switching behaviour, consumers demonstrate moderate brand loyalty but are open to trying new brands under certain circumstances. Price sensitivity exists, but it might not be the most decisive factor. While some openness to trying new products is present, external factors like advertising have a moderate influence.





The study on consumer preferences in the packaged milk market highlights a preference for cow's milk, followed by buffalo or full cream milk, indicating varied taste preferences and dietary choices. Consumers use milk for various purposes reflecting cultural practices, with preferences for different quantities and price sensitivity. Brand loyalty is strong, but brand switching occurs based on factors like reputation, availability, and quality. Understanding consumer behaviour is crucial, with factors like packaging, quality, and brand reputation influencing purchasing decisions.

The distributors' insights highlights various issues related to profit margin, pricing strategies, vehicles, logistics, profitability challenges, marketing support from the cooperative, and external factors etc. Retailers have expressed their needs of having premium products, improvements in packaging, marketing support related to in-store displays, price pressures from competition, and maintaining freshness of the products etc.

Gokul Milk is advised to prioritize transparency, effective communication, separate distributor for B2B, integrating technology in the transportation and the logistics, introducing the tiered margin structure for distributors and retailers, and ensuring distributor satisfaction to enhance market position. Strategies include point-of-sale promotions, packaging innovation, and product diversification to boost profitability and consumer demand.

From the strategic point of view the cooperative should pay attention towards exports of milk products, introducing plant based alternatives, product adaptation and expanding through e-commerce.

Prof. Dr. Manisha Paliwal,
Project Lead,
Research & Development Cell,
SBUP

