



CUSTOMER PATRONAGE TOWARDS “BRAND: SANCHI”: EVIDENCE FROM BHOPAL, MADHYA PRADESH (INDIA)

Kumar Siddhartha

Research Scholar-Management, Barkatullah University, Bhopal, Madhya Pradesh, India

Abstract

The marketing strategies are designed or tailored sometimes to bring up customer consumption. To earn the consumers' patronage, in turn, and attempt to surpass the value additions made by competition. The retained consumer's brand association ensures growth of the firm, for the reason the companies put optimized resources to position or reposition their brand or the specialized product in the market. Milk/ product brands like Sanchi, Amul, Saurabh, Khajuraho and Patanjali in Madhya Pradesh have been indulged into controlling orientation of consumers under the influence of various psycho- demographic factors that govern their consumption cycle. The study with a convenience sample of 185 customers has aimed to identify these factors for brand Sanchi in Bhopal to check with consumers about their brand loyalty, perception and patronage towards Sanchi. Result show that despite loyalty of customers towards Sanchi, they may switch to another brand, if made available for complete satisfaction after consumption.

Key words: Brand- perception, loyalty, Sanchi, psycho-demographic/ convenience sampling

Introduction

To formulate marketing strategy we need to understand market well. Urban market has its many barriers and opportunities, therefore it become essential for the marketer to know the each and every aspect before they place and exhausting their products in the market. The consumer buying behavior of the peoples living in the urban areas is entirely different from the buying behavior of consumers living in the rural areas. The buying behavior of the consumers is influenced by the psychological determinants like taste and preference of the consumers, perception of the family followed by their experience and budget. Based on this targets are redefined with the current positioning of each product vis-à-vis competition. Other factors like distribution, price and optimization are evaluated sincerely towards gaining competitive advantages.

Consumer behavior helps the marketers in understanding the psychology and orientation of the consumers with respect to a particular brand. It has always been, one of the interest areas of customer's priority which every marketer needs to understand before they decide to win the market.

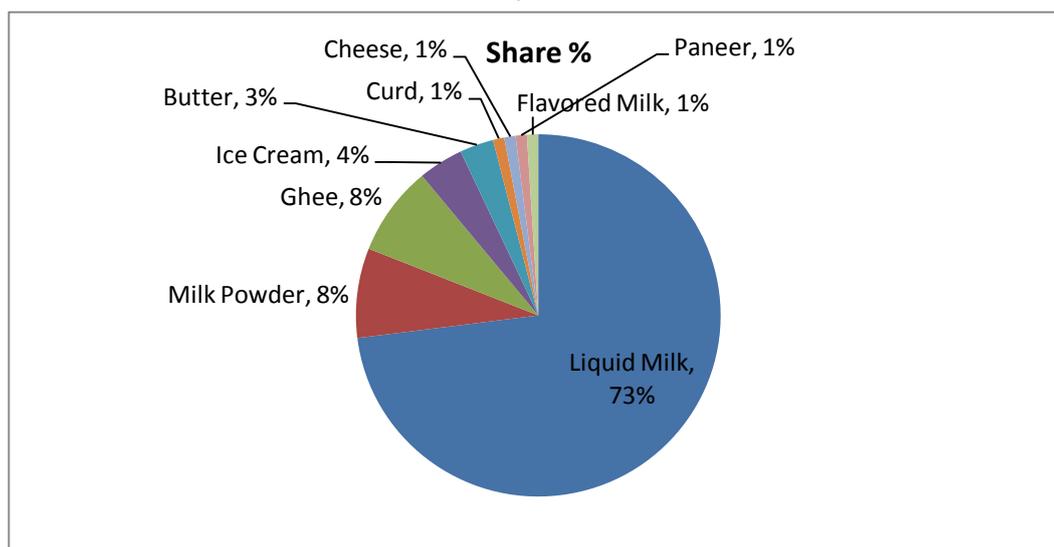
A report by Mc Kinsey & company (2007), India will be the fifth largest consumer market in the world by 2025. Creating a brand loyalty has now become one of the biggest challenge for the FMCG companies, due to the huge competition both from organized and unorganized market. In the recent past the demographic of the customers has shifted. This study is basically emphasizing on the factors influencing the buying behavior for milk /products of Sanchi brand in Bhopal.

Table.01. Top Five Dairy Brands in India: 2018:

1	Amul	Gujarat
2	Mother Dairy	New Delhi
3	Kwality Limited	New Delhi
4	Orissa State Cooperative Milk Producer Federation (OMFED)	Orissa
5	A.P. Dairy Development Cooperative Federation Ltd. (APDDCF)	Andhra Pradesh
6	Karnataka Cooperative Milk Federation (KMF)	Kerala
7	Dynamix Dairy	Maharashtra
8	AAVIN	Tamil Nadu
9	MILMA	Kerala
10	Dudhsagar Dairy	Gujarat

Source: ww.trendingtopmost.com>foods.best brands; Mackenzie, March 18, 2018(www.trendrr.net)

Exhibit.01. Market share: Major Indian brands: Milk Products



Source: NDDDB, Ministry of Animal Husbandry (Market Wrap- ICICI Securities, week Jan26-Jan30, 2015)

Since independence the dairy industry in India has been following sturdy path of progression

Indian Dairy Market Report & Forecasts 2012-17 by research agency IMARC, strong growth in both rural and urban demand will boost market of milk products in India, expected to cross over Rs. 981,586 crore by 2017 (approx 5% of GDP). A report estimates that Indian Dairy market will grow at a CAGR of 15% by 2020 due to changing consumption habit, increasing consumption, large pool of cattle and rising income level.

The Indian dairy industry has been witnessing rapid growth. The liberalized economy provides more opportunities for MNCs and foreign investors to realize the full potential of dairy industry. The main aim of the Indian dairy industry is only to enhance milk production and technologically upgrade milk processing. During the last three decades the growth of the dairy sector has also been impressive at 4% per annum and the country has emerged as the largest producer of milk considering the fact that dairying in India is largely a subsistence activity. Annual world trade in milk products amounts to 33 million tones (US\$ 10 billion). 6 to 7 per cent of the world milk production is traded internationally. The bulk of the world dairy trade is in cheese, butter and powders. A growing shift towards cheese is expected in the near future due to changed taste & preference and calorie consciousness.

As of today, India is the largest milk producing country in the world. Uttar Pradesh, Punjab, Haryana, Rajasthan, Gujarat, Maharashtra, Andhra Pradesh, Karnataka and Tamil Nadu are the milk surplus states in India. The manufacturing of milk products is concentrated in these milk surplus states. India, the world's largest producer of dairy products by volume, has been accounting for more than 13 per cent of world's total milk production, and has the world's largest dairy herd.

In order to maintain the development of its dairy industry, four focus needs to be considered : (1) to reduce cost of production through increasing productivity and management of animals, improving animal health care and breeding facilities (2) to further develop proper dairy production, processing and marketing infrastructure in order to meet international quality standards. (3) focusing on buffalo milk based specialty products, e.g. Mozzarella cheese, in order to meet the needs of the target consumers (Chawla, 2009).

The government and the National Dairy Development Board have outlined a National Dairy Plan (NDP) in 2010 which proposed to nearly double India's milk production by 2020, endeavoring to enhance the country's milk productivity, improving access to quality feeds and farmer access to the organised market. These goals would be achieved through activities focusing on growing the network of milk collection facilities and increasing co-operative membership and throughout India (NDDDB, 2015).

Consumer's behavior, choice & preferences and attitudes towards consumption of dairy products differ substantially across countries. Consumer perceptions of dairy products quality involve much more than sensory attributes. There are four dimensions that consumers consider when forming perceptions about dairy product quality: (1) health-related (2) hedonic (e.g. sensory attributes such as taste or smell), (3) process related (e.g. production processes such as organic, animal welfare or genetic modification) (4) convenience-related (Grunert *et al.* 2000).

Statement of Problem

To advice brand "Sanchi" why and how customers perceive and select a specific milk in Bhopal, Madhya Pradesh, in order to improve its competitive advantages".

Objective

1. To find out the factors/ determinants influencing the purchase of milk & milk products in Bhopal in reference to customer patronage.
2. To study the impact of factors/determinants on forming buying perception.

Literature Review

(i) Literature on consumer consumption:

Fawi and Abdalla (2013) conducted a research on the preferences and consumption pattern of milk and factors affecting consumers' buying decision. Authors found quality as a main factor affecting buying decision. Fresh milk is highly preferred by the consumers. Study concludes that producers of milk and the processors should implement modern marketing concepts that focus on the consumers needs to increase sales. In a study Nayak (2013) discussed dealer-customer interface in selected dairy industries in two major cities of viz Bhubaneswar (Odisha) and Vishakhapatnam (Andhra Pradesh). Study was done with a sample of 400 consumers of milk products and its 200 dealers. The study revealed that consumer behavior encompasses a vast area including buying process, shopping behaviors, purchasing patterns, consumer motivation, preferences, etc. Further, Boniface and Umberger (2012) studied perceptions and consumption of various dairy products. The study investigates the drivers of increasing dairy demand by examining the factors influencing Malaysian consumers. The results indicate that factors e.g. age and ethnicities as well as other attitudinal factors (demographic variables) significantly influence consumer's increasing consumption of dairy products.

Sharma (2011) attempted to economically analyze the food consumption pattern in both rural and urban India and estimated the elasticity of demand on food expenditure. His analysis revealed that the increase in monthly per capita expenditure has led to greater changes in the consumption of beverages, vegetables, egg, fish, meat and edible oil. Author found the estimated expenditure elasticity of demand positive for all food items. The elasticity was less than one (< 1) for all the food items in urban areas, where as the expenditure elasticity was more than one (> 1) for edible oil, egg fish group, vegetables, and beverages in rural India. The expenditure elasticity was lowest for edible oil in urban India and highest for pulses and beverages. Gupta (2009) studied consumer behavior for food products in India with a sample of 326 respondents in Uttar Pradesh and National Capital Region. The relative importance of various food purchasing criteria was estimated for four different food categories: (1) food grains and pulses; (2) milk and milk products; (3) processed foods; and (4) food and vegetables on 1-5 scale. People accepted the fact that though their food habits get affected with the shifting to a new region, but many basic purchase and consumption behavior do not change. However, comparing the last 10 years, people have started preferring more healthy foods and were willing to try out some new items (edibles). Author mentioned that children also influence the purchase of food items that they eat.

(ii) Literature on factors influencing consumers in selection of the product brand.

Shashank Singh Chauhan, *Dr.V.B.Singh (2016) in their research found both rural consumer and urban consumers equal when the perception is talked about. They are able to realize the extensive awareness and need and suitable information sources of the product.

Based on their experience they derive characteristics of the product and carefully study the quality and negative effect of product and also approach the product of FMCG to make suitable purchase decision. They collect information of the product through television advertisements. Consumer prefers the product, making the purchasing decision and expressing the satisfaction level. The consumers have the tendencies for brand shift if not satisfied with the utilization and availability of the product in the market. Further, Klaudia Kurajdova *et al* (2015) conducted a research and found various factors affecting milk consumption & purchase, e.g. intensifying pressure of globalization, introducing wide diversity and range of product offer, strengthening intensity of competition, rapid booming of new technologies, increasing pressure and influence of media, supporting free flow of information and knowledge. They further stated that Consumption of dairy products by Slovak consumers is very low compared to other countries in European Union and the world what results in a negative impact on businesses in this sector. One of the main reasons is low demand of consumers. It is important to study factors stimulating and influencing consumers when purchasing milk products in order to support their consumption as well as to study factors that prevent consumers in their purchasing and consumption in order to deal with them and eliminate them if possible.

Kalaiselvi (2014) studied brand awareness and customer preference for FMCG products in Coimbatore city and found increasing tendency in brand awareness and study location. In her study she considered the response of researchers, products, consumers, market managers, etc. The results show that there is no significant difference between different income group's attitudes towards brand. Her study illustrates that the impact on brand preference was positive. In another research study Sivasankaran and Sivanesan (2013) found various factors influencing brand preference for milk, problems faced by usage of different brands and reason of brand-switching among rural and urban consumers. The study found that majority of urban and rural consumers preferred a particular brand for the reason of easy availability and high viscosity (thickness) of milk. A study on the effect of brand name on consumer's evaluation of fresh milk by Joubert *et al* (2012) revealed that the brand of milk can influence consumer's evaluation of the actual sensory taste. This faces a challenge to milk brand manufactures to identify

alternative ways in which they could differentiate their offerings in competition (brands) in order to retain or establish positive brand association ensuring consumer loyalty. Muralidhar & Vedhavalli (2012) in a study on consumer perception towards organic food products in Bangalore indicated that consumers of organic food products evaluate product quality with respect to the offered prices and consider it healthy to consume. They prefer grain based organic food products followed by organic grain and organic fruits. Consumer preference for processed milk in Mymensingh town was studied by Mila and Raha (2012) which revealed that the level of preferences for processed milk by the consumers was significant that provides a good opportunity for the development of the marketing system of processed milk by increasing domestic milk production as well as reducing dependency on imported processed milk. Radhika *et al.* (2012) worked out the consumer perception of organic foods in twin cities of Hyderabad and Secunderabad and found nascent stage of the market of organic food with immense potential for development, given the increasing people consciousness about health and fitness and the rise in their disposable income. The outlets selling organic products are very few and they store low quantities especially of perishable food. Policy makers as well as retailers must have priority of development of new supply chain for procuring and marketing organic foods, developing new measures to authenticate organic produce and educating the consumers. Reddy (2010) studied consumer perception for Priya milk vis-à-vis other competing brands in Karimnagar district and found most of the retailers of Priya brand were very satisfied with timely supply, convenient stock returns policy and reasonable margin, though there was disappointment for their promotional activities and the brand strength. The study therefore concluded that Priya dairy's poor sales performance is the result of its poor marketing activities promotion and brand) amongst the retailers. Guru *et al.* (2009) indicated that brand awareness can be measured by calculating consumer's knowledge, willingness to know about the brand and brand recall. This check with them about their brand association for a product category. Subhani and Osman (2009) attempted to analyze the association between consumer/brand loyalty and brand awareness for packaged milk industry in Pakistan. The results revealed that brand awareness may not be a significant factor for buying behavior. The results clearly indicate that perceptions-brand loyalty and awareness-perceptions have no significant relationship. Retrievability to impact the purchase behavior, a positive influence on perceptions and attitudes towards the brand recall creates consumer/brand loyalty. Denford Chimboza and Edward Mutandwa,(2007), in their study on 90 respondents (individual & institutional) found four factors were identified as key determinants of dairy product choice namely promotion, price and availability of product, attractive packaging and product quality.

SANCHI

Mission: * To carryout activities for promoting production, procurement, processing, manufacturing and marketing of milk and milk products for socio-economic development of farming community. **Development and expansion of such other allied activities as may be conducive for the promotion of dairy industry, improvement & protection of milk animals and economic betterment of those engaged in milk production.

Objective

To understand the marketing strategy of Sanchi and factors of patronage level of customers consuming Sanchi Milk products.

Marketing Strategy of SANCHI

It discusses what you will do for marketing your product/s. It deals with marketing mix, competition, distribution and other related areas; e.g. customer centric activities for cost leadership, differentiation and focus.

Segmentation, Targeting & Positioning

1. People: household (mass marketing) principle.
2. Demography: all age / gender/ occupation
3. Products
4. Target: regular middle class people (ref; high end and middle line people are under attention, e.g. for butter /Cheese; high end people have alternatives in terms of, e.g. ice cream consumption)
5. Positioning: highest perceived brand in Madhya Pradesh. Tagline: "We Care for Health & Hygiene"

Competitors

1. Amul (milk, curd, ice cream, sweets, ghee, milk powder, etc.)
2. Saurabh Dairy (milk, ghee)
3. Arihant Sales agencies (milk)
4. Local Vendors (paneer, milk, ghee)

Exhibit.02. Positioning of SANCHI Products

<p>STAR Flavored milk, Masala Mattha, Sweet curd, Srikhand, Chena rewadi, Paneer, Sada</p>	<p>? Peda Milk cake Gulab jamun/ Rasgulla</p>
<p>CASH COW Pouch Milk Mattha</p>	<p>DOG Milk Powder</p>

Sanchi has major focus on maturing its business of flavored milk, masala mattha, sweet curd, paneer, etc as these earn good profit and market share in this segment, so investing a lot on market sustainability (star). Pouch milk is one of the flagships of brand Sanchi which sells like anything. The strong distribution system has been facilitating to earn good and strong market share and profit as well (cash cow). Milk powder is one of the products in its category, which is suffering badly (dog). Sweets segment is still struggling hard to enter the market (question mark), and has been into a blur future.

Sustainable Competitive Advantage

[A] Optimization

1. Supply chain: Milk producer-vill. Dairy co.op-- Dist. Milk coop. unions-- State co-op milk Mktg fed.- consumers supports, high volume
2. Product design
3. Value
4. Production

[B] Price (low price or high benefits for high price)

[C] Strategy: value added products (exploiting organisational competencies)

- [D] Distribution Strategy:**
1. Availability at 4,500 PDS (March, 2018 onwards)
 2. 4,523 Cooperative societies (March, 2018 onwards)
 3. Urban & Rural areas (commission based)

Marketing Analysis

(a) In Marketing Strategy of Sanchi

Seasonality:

Winter: no sale of any item except milk

Summer: Flavored milk, Masala Mattha, Sweet curd, Srikhand, Chena rewadi

Customer analysis

(b) In Marketing Strategy of Sanchi

Choice & preference: Mass marketing: customer from social segment (middle & lower class) is the major target.

Sampling Method:

Table.02.

Customers contacted: 185	Location: Bhopal (urban)
Sample frame: household	Sampling method: Convenience
Point of reference: Sanchi outlets from prominent rich areas, e.g. Raisen road, Railway Station, MP Nagar, Saket nagar, Nr. BU, TT Nagar, E8 Arera, Mata Mandir.	

Retailers were not interrogated as almost all the outlets have a common opinion that there is no brand available in Bhopal market which customers can be by. Other brands are in the nascent stage to put Sanchi into a competition with them. Market of Sanchi is nearly enjoying monopoly. The sales performance and accrued profit is almost consistent.

Method of Data Collection

All the required necessary information related to the research was collected through survey method, (personal interviewing) the respondents using the pre-tested questionnaire.

Primary Data

The primary data was collected from the respondents on socio economic status, consumption pattern, perception about the brand, purchase behavior etc. Similarly information on return policy, stocking pattern, dealers

margins etc was collected from the dealers.

Secondary Data

The secondary sources of information were from research papers, websites, companies and dealers records etc.

Tools of Analysis

The data was analyzed using various tools and techniques e.g. Likert scale [strongly agree (5), agree (4); not sure (3); disagree (2); strongly disagree (1)], Kruskal Wallis (H) test and Spearman's correlation (RHO). Simple tools like percentages were also used to analyze the data.

Mean and score percentage has been used calculated.

Customer Profile

Socio economic status of consumers under study

It includes education, age, family size, occupation and family income of the respondents. Occupation and family income of the customer will influence the purchase pattern of the household.

Educational status

It has been observed that 52.5 per cent of respondents were graduates, whereas 17 per cent were post-graduates, 13 per cent studied intermediate, 12 per cent are SSC, and 5.8 per cent were under literate/illiterate.

Table. 03.

SN	Education status	Observations	Percentage
1	Under literate/illiterate	11	5.8
2	10 th /SSC	22	12
3	12 th / intermediate	24	13
4	Graduates	97	52.2
5	Post Graduates	31	17
	Total	185	100

Field investigation

Discussion: Higher percentage of literacy infers that the consumers are better aware of branded milk / products, like, Sanchi.

Table.04. Family Size of consumers:

SN	Family Size	Observations	Percentage
1	Joint Family	89	48.11
2	Nuclear Family	59	31.89
3	Bachelor	37	20
	Total	185	100

Field investigation

Discussion: Joint families consume highest proportion of Sanchi brand milk & milk products.

Table.05. Family Income of consumers:

SN	Family Income, PM	Observations	Percentage
1	Less than 50000/-	85	45.95
2	50000/- to 75000/-	67	36.22
3	Above 75000/-	33	17.84
	Total	185	

Discussion: Brand Sanchi has been enjoying a good consumer perception and acceptability among middle or lower level of consumer's income group.

Table.06. Spending by consumers on Sanchi milk/ products (PM):

SN	Spending(Rs) on Food	Spending on Milk/products	No of consumers	Percentage
1	< 10000	1600	83	44.94
2	10000 to 15000	1800	72	36.22
3	Above 15000	2100	30	17.84
	Total		185	

Field investigation

Table.07: Factors influencing consumers in the selection of the milk products

S.N	Parameters	Very important	Important	Somewhat important	Less important	Least important
		5	4	3	2	1
1	Quality	142	27	16	0	0
		76.75%	14.59%	8.6%	0	0
2	Price	12	42	54	44	33
		6.4%	22.7%	29.18%	23.78%	17.83%
3	Availability	45	63	35	25	17
		24.32%	34.05%	18.91%	13.51%	9.18%
4	Packaging	50	65	25	35	10
		27.02%	35.13%	13.51%	18.91%	5.40%
5	Shelf life	68	77	30	10	0
		36.75%	41.62%	16.21%	5.40%	0
6	Promotional offer	3	60	58	54	10
		1.62%	32.43%	31.35%	29.18%	5.40%
7	Brand name	67	58	50	10	0
		36.21%	31.35%	27.02%	5.40%	0

Field investigation

Discussion: The listed factors have been more significant to consumers for selection of milk & its products. Quality (76.75%), brand name (36.215) and shelf life (36.75%) have been more significantly affecting selection criteria of consumers.

Test Statistics: Kruskal Wallis (H) Test Applied Df= 6 @ 0.050 significance(α); Chi square Table value: 12.592 Calculated Value: (-)11.494	Tested & Validated
Inference: Factors e.g. price, quality, availability, brand name, etc influence the choice of consumers while selecting Sanchi brand Milk/ products, at 5% significance & 6 degree of freedom;	

Table.08: Customer's perception (choice & preference) about brand Sanchi

SN	Factors	Responses					MS	% score
		Strongly Agree	Agree	Not sure	Disagree	Strongly disagree		
		5	4	3	2	1		
1	Customer relation with Sanchi outlets	36	87	25	17	20	3.5513	63.78
		19.46%	47%	13.51%	9.18%	10.81%		
2	Liking the milk taste	26	101	27	24	7	3.6216	65.54
		14.05%	54.59%	14.59%	12.97%	3.78%		
3	Price (Considered packaged milk costlier)	13	11	33	76	52	2.2270	30.675
		7.02%	5.94%	17.83%	41.08%	28.11%		
4	Freshness (packaged milk stale/old)	26	108	37	14	0	3.7891	69.727
		14.05%	58.37%	20%	7.56%	0		
5	Flexibility of paying payments	11	97	32	33	12	3.3351	52.377
		5.94%	52.43%	17.29%	17.83%	6.48%		
6	Uninterrupted regular supply from PDS (agency, retailer, depot etc.)	27	110	38	10	0	3.8324	70.81
		14.59%	59.45%	20.54%	5.40%	0		
7	Awareness on benefits from pasteurized packaged milk	52	77	11	17	28	3.58337	64.58
		28.11%	41.62%	5.94%	9.18%	15.13%		

Field investigation

Discussion: The listed factors (above) have been more agreed upon by consumers against their choice & preference, which show their positive perception towards the brand Sanchi.

Test Statistics: Kruskal Wallis (H) Test Applied Df= 6 @ 0.050 significance(α); Chi square Table value: 12.592 Calculated Value: (-) 11.50553	
Inference: Customers have positive perception about Sanchi brand Milk/products, at 5% significance & 6 degree of freedom	Tested & Validated

Table.09. Buying behavior for Sanchi milk/ products (rank from 1 – 7, where 7 represents the highest value of rank)

SN	SANCHI Milk/ products	Rank	Consumption on Daily/ Weekly/Bimonthly/ Monthly Basis	Season of Purchase	Average quantity purchased /Month	Most favorable purchase point
1	Milk	7	171	All	45 L	A
2	Sweets	1	45	Winter	1.5 gm	B
3	Curd/ Cream	4	132	All except winter	1000gm	C
4	Khoa/Mawa	2	62	All	250 gm	A
5	Paneer	3	110	All	1.2 kg	A
6	Ghee	5	103	All	1.0 kg	A
7	Mattha	6	169	All	15L	A

Code of purchase point: A. Dealer's point (PDS-agency) B. Shop/ retailer C. Dairy Booth D. Home delivery

Discussion: Milk is most favored product for consumption (R-7) followed by Mattha (R-6), Ghee (R-5), curd (R-4) and Paneer (R-3), purchased in all seasons. Purchase point is mostly dealers/ agency.

Test Statistics Spearman's Correlation (RHO) RHO: (-) 13	
Inference: Though Sanchi milk/ products are favored (rank-7), by consumers still the customer buying behavior (patronage) is doubtful (-ve). Strong negative correlation has been observed. Perhaps customers are either looking for a better option or some kind of improvement with Sanchi brand.	

Table.10. Consumer's perception about the various brands of PANEER

SN	Parameters	Sanchi		Khajuraho		Dairy	
		Mean Score	Rank	Mean Score	Rank	Mean Score	Rank
1	Taste	3.81	2	3.51	3	3.46	8
2	Price	4.05	6	4.05	6	3.29	5
3	Flavor	3.98	5	3.86	5	3.43	7
4	Packaging	4.09	7	1.97	2	2.08	2
5	Brand name	4.36	9	4.10	7	2.76	3
6	Quality	3.89	4	3.55	4	3.27	4
7	Color	6.03	10	4.35	10	3.37	6
8	Availability	4.16	8	4.25	9	4.05	10
9	Offer	0	1	0	1	0	1
10	Different Size	3.85	3	4.19	8	4.40	9

Source: field investigation basis; (rank lowest-1/ highest-10)

Discussion: All the three bands are at par w.r.t. price (r-6/6/5). Sanchi has been enjoying strongest brand name amongst the competition with dairy (r-3) & Khajuraho (r-7). Customer found quality & flavor almost same for all brands, so they may prefer to consume any of the three, supported by their availability (rank- s-8/k-9/d-10). Obviously, customers do not have much interest in specific brand, e.g.Sanchi, as such in paneer segment.

Table.11. Consumer's perception about the various brands of FLAVORED MILK

SN	Parameters	Sanchi		Amul	
		Mean Score	Rank	Mean Score	Rank
1	Taste	1.79	2	2.30	2
2	Price	3.61	5	3.49	6
3	Flavor	3.75	7	3.89	7
4	Packaging	3.66	6	3.93	8
5	Brand name	3.89	9	4.06	10
6	Quality	4	10	3.41	4
7	Color	3.78	8	3.95	9
8	Availability	3.43	4	3.48	5
9	Offer	0	1	0	1
10	Different Size	3.32	3	3.27	3

Source: field investigation basis; (rank lowest-1/ highest-10)

Discussion: Comparing Amul, Sanchi is the only option with customers as a choice in the market. Quality wise Sanchi is better ranked (10) against Amul (r-4). Brand names of both Sanchi and amul are perceived high by consumers (rank-s-9/a-10). Customers do like flavor of both amul(r-7) & Sanchi(r-7).

Obviously, Sanchi is under high survival threat by choice and perception in the market, posed by Amul as available option. Competition is fierce for Sanchi in flavored milk segment.

Table.12.Consumer's perception about the various brands of GHEE

SN	Parameters	Sanchi		Khajuraho		Patanjali		Amul	
		Mean Score	Rank						
1	Taste	3.50	4	3.89	8	4.08	7	3.56	2
2	Price	3.18	2	2.75	3	3.95	5	3.57	3
3	Flavor	3.35	3	2.75	2	4.24	10	4.25	10
4	Packaging	3.68	6	3.84	7	3.84	4	3.84	6
5	Brand name	3.57	5	3.64	4	4.17	8	4.21	9
6	Quality	5.38	9	3.70	5	4.22	9	3.92	8
7	Color	3.71	7	3.75	6	3.70	3	3.86	7
8	Availability	5.96	10	4	9	4.08	6	3.73	5
9	Offer	0	1	0	1	0	1	0	1
10	Different Size	3.86	8	4.08	10	3.29	2	3.59	4

Source: field investigation basis; (rank lowest-1/ highest-10)

Discussion: Among the competition Sanchi ghee has been perceived positive in terms of availability (rank-10), but is at par with competition in terms of quality (rank-9) comparing Patanjali and Amul. Sanchi is fairly weaker than Patanjali and Amul in terms of flavor(r-3/10/10) and brand name(r-5/8/9). In terms of quality Sanchi is at par with competition posed by Patanjali & Amul (r-9/9/8). Khajuraho, though a known brand in the area is still fairly far behind in competition in terms of quality (rank-k-5/p-9/s-9/a-8). Availability(r-9) is the only strong attribute of Khajuraho in ghee segment.

Conclusively, Sanchi is facing tremendous pressure under competition with Amul & Patanjali ghee. Customers have two best brand options available in the market.

Table.13. Comparative Chart of Sanchi vs. Amul

	SANCHI	AMUL
Management	Dairy Cooperative under Madhya Pradesh State cooperative Dairy Federation(MPSCDF), largely based out of Bhopal & Indore	Managed by Gujarat Cooperative Milk Marketing Federation Limited(GCMMF)
Organisation Structure	III tier structure (State level federation/ Regional Level Milk Union/ Village level dairy cooperative society)	IV tier structure (National/ State/ District and village levels) with GCMMF that comes under National Cooperative Dairy Federation of India
No of SKU sold	10-12	Generally 114 , nationally >400
Most favored SKU	Liquid Milk	Butter
Product categories	Less Diversified	Highly diversified product portfolio
Highest selling packaged product	500 ml pouch milk	1 liter pouch milk
Sales	More than 450 liter of milk a day	Estimated more than 500 liter a day
Competitive advantage	1. Efficient distribution & service 2. affordable price 3.Milk & Mattha are mass penetrative products 4.SKU 10-12 (max in CC / star)	1. low price or high benefits for high price 2. Direct marketing team selling to modern retail 3. Ice cream/ butter/ pouch milk are highly profitable business 4. Seasonality: High sale of ice cream in summer 5. SKU (>400)
Tagline	We Care for Health & Hygiene	The taste of India

Findings & Discussion

Exhibit.02.Positioning of SANCHI Products: customers have recognized Sanchi as the best available brand in milk & milk product segment of FMCG. Sanchi is facing hardly any sort of competition, except Amul, Patanjali, Khajuraho, in some product category.

Table.04. Family Size of consumers: mostly joint (48.11%) and nuclear (31.89%) families do consume maximum of milk and milk produce.

Table.05. Family Income of consumers: 83.78% of respondents below monthly family income consume milk & milk products (< 50000/- 45.95%; 50000/- to 75000/- 36.22%)

Table.06. Spending by consumers on Sanchi milk/ products (PM): 17.84% of respondents spend >Rs. 1500/- on Sanchi milk products. 44.94% spend below Rs. 1500/-and 36.22% spend in between Rs. 1000-1500 on Sanchi milk /products.

Table.07. Factors influencing consumers in the selection of the milk products: Factors e.g. price, quality, availability, brand name, etc *influence the choice of consumers while selecting Sanchi brand Milk/ products.*

Table.08. Customer's perception (choice & preference) about brand Sanchi: Customers have positive perception about Sanchi brand Milk/products. Customer relation, taste, regular supply, freshness and awareness have *created a positive perception about brand Sanchi.*

Table.09. Buying behavior for Sanchi milk/ products: Though Sanchi milk/ products are favored by consumers still the customer buying behavior (patronage) is doubtful (-ve). RHO (-13) explains and supports the same. Perhaps customers are either *looking for a better option or some kind of improvement with Sanchi brand.*

Table.10. Consumer's perception about the various brands of PANEER: rank wise comparing three brands, available in Bhopal market,i.e. Khajuraho, Sanchi and dairy, it was found that all these brands are at par w.r.t. price (r-6/6/5). Sanchi has been enjoying strongest brand image amongst the competition with dairy (r-3) & Khajuraho (r-7). Customer found quality & flavor almost same for all brands, so they may prefer to consume any of the three, supported by their availability (rank- s-8/k-9/d-10). Obviously, *customers do not have much interest in specific brand, e.g.Sanchi, as such in paneer segment.*

Table.11. Consumer's perception about the various brands of FLAVORED MILK: Comparing rank wise Amul, the only favorable option with customers as a choice in the market is Sanchi. Quality wise Sanchi is better ranked (10) against Amul (r-4). Brand names of both Sanchi and amul are perceived high by consumers (rank-s-9/a-10). Customers do like flavor of both amul(r-7) & Sanchi(r-7).

Obviously, *Sanchi* is under high survival threat by choice and perception in the market, posed by Amul as available option. Competition is fierce for Sanchi in flavored milk segment.

Table.12.Consumer's perception about the various brands of GHEE: Based on the mean scores of different demographic & psychographic factors, Sanchi ghee has been perceived positive in terms of availability (rank-10), but is at par with competition in terms of quality (rank-9) comparing Patanjali and Amul. Sanchi is fairly weaker than Patanjali and Amul in terms of flavor(r-3/10/10) and brand name(r-5/8/9). In terms of quality Sanchi is at par with competition posed by Patanjali & Amul (r-9/9/8). Khajuraho, though a known brand in the area is still fairly far behind in competition in terms of quality (rank-k-5/p-9/s-9/a-8). Availability(r-9) is the only strong attribute of Khajuraho in ghee segment. Conclusively, despite different strong attributes, *Sanchi* is facing tremendous pressure under competition with Amul & Patanjali ghee. Customers have two best brand options available in the market.

Table.13. Comparative Chart of Sanchi vs. Amul: Brand width & depth (product portfolio) of Sanchi (10-12) are not able to compare with that of Amul (generally 114/ >400) in its whole product line. SKUs of Sanchi have been too limited comparing highly diversified product portfolio of Amul. Tagline of *Sanchi* has a conservative approach and is not able to connect almost all kitchen needs of milk/products comparing Amul. Amul has successfully made it a voice of the whole country and was able to manage the sentiment of each family and tongue.

Recommendations

Sanchi must

1. Resegment the whole market and design a new customized promotion plans for each product category.
2. Must treat each product category as a separate SBU.
3. Come up with customer incentives that will push the products into target customers.
4. Have two-three flagship product categories duly positioned.
5. Review tagline (that connect market and creates assumptions about a brand) frequently to refresh the customer faith with the brand.
6. Come forward with customer promotion fairs, for enhancing customer involvement into designing market strategy. It should be taken as a shared marketing module.

Implications of Study

This study will help the brand Sanchi to review its marketing module to address the future competitive challenges.

Future Scope of Research

The ranking of different factors that cause influence on choice & preference for a milk brand may be further analyzed by using analytics. It will paint actual gaps and relationships among different attributes and their impressions on company as well as customer decision making.

References

- [1] Boniface, B and Umberger, J. W. 2012. Factors influencing Malaysian consumer's consumption of dairy products. *Contributed paper prepared for presentation at the 56th AARES annual conference*, Fremantle, Western Australia.
- [2] Chawla, A. 2009. Milk and dairy products in India – Production, Consumption and Exports. Available at <www.hindustanstudies.com> last accessed on 20th February, 2015.
- [3] Denford Chimboza and Edward Mutandwa, 2007, 'Measuring the determinants of brand preference in a dairy product market'; *African Journal of Business Management* Vol. 1 (9), pp. 230-237, December 2007, Available online at <http://www.academicjournals.org/AJBM> ; ISSN 1993-8233 © 2007 Academic Journals.
- [4] Fawi, N. M. T and Abdalla, M. O. 2013. Milk preferences of consumers and effect of marketing mix on consumers purchase decision of dairy products. *Indian Journal of Marketing*. 43 (2): 57-62.
- [5] Grunert, K., Furst, T., Connors, M and Bisogni, C. (2000). Food Quality and Safety: Consumer Perception and Demand. *European Review of Agricultural Economics*, 32(3): 369-391.
- [6] Guru, R., Deva, G and Upadhyay, S. 2009. A study on brand awareness of shampoo products for cavinkare pvt ltd. *SASTECH*. 8 (2): 33-40.
- [7] Gupta, K. B. 2009. Consumer behaviour for food products in India. *International Food and Agribusiness Review*. 1 (5): 1-14.
- [8] Joubert , J. P. R and Poalses , J. 2012 . The study on the effect of a brand name on consumer evaluation of fresh milk. *International Journal of consumer studies*. 36 (4): 425-431.
- [9] Klaudia Kurajdova, Janka Tábořecká-Petrovicová, Alena Kašćáková, 2015, Factors Influencing Milk Consumption and Purchase Behavior Evidence from Slovakia. *Business Economics and Management 2015 Conference, BEM2015; Procedia Economics and Finance* 34 (2015) 573 – 580; www.sciencedirect.com
- [10] Kalaiselvi, S. 2014. Brand awareness and customer preferences for FMCG products: an empirical study with special reference to Coimbatore city. *International Journal of Management and Social Science Research Review*. 1 (2): 225-232.
- [11] Muralidar, S. L and Vedhavalli. 2012. A study on consumer perception towards organic food products in Bangalore. *Ph. D Thesis*. Christ University, Bangalore, India.

- [12] Mila, F. A and Raha, S. K. 2012. Consumer preferences for processed milk. *Journal of Bangladesh Agriculture University*. 10 (2): 267-276.
- [13] Nayak, T. 2013. A study on retailer role in selected dairy industries. *Global Journal of Management and Business Research Marketing*. 13 (8): 7-14.
- [14] Reddy, S. T. 2010. Consumer perception of priya milk vis-à-vis other competing brands in Karimnagar district of Andhra Pradesh. *MBA (ABM) Thesis*. Acharaya N. G. Ranga Agriculture University, Hyderabad, India.
- [15] Radhika, P., Ammani, P and Seema. 2012. Eating healthy – consumer perception of organic foods in twin cities. *International Journal of Marketing, Financial Services and Management Research*. 1 (2): 67-72.
- [16] Sivasankaran, S and Sivanesan, R. 2013. Brand preference of packed milk-comparative study on rural and urban consumers in Kanyakumari District. *International Journal of Business and Management Invention*. 2 (7): 23-35.
- [17] Shashank Singh Chauhan, *Dr.V.B.Singh (2016) ‘International Journal of Scientific and Innovative Research 2016; 4(1); P- ISSN 2347-2189, E- ISSN 2347-4971.
- [18] Sharma, V. K. 2011. An economic analysis of food consumption pattern in India. *International Referred Research Journal*. 2 (24):1- 4
- [19] Subhani, M and Osman, A. 2009. A study on the association between brand awareness and consumer/brand loyalty for the packaged milk industry in Pakistan. *M.Sc. Thesis* (Unpublished), Munich University, Germany

. ** NDDDB. 2015. www.nddb.org/information/stats/milkproindia

+++++