Raw Milk Purchase and Preference of Commercial Customers in Salem District

M. Selvakumar, **G. Yoganandan**

Abstract: - In India dairying is identified as a tool for social and financial development. The country's milk deliver comes from millions of small manufacturers, dispersed during our rural areas. Dairy business to provide more number of employment and income generation in India and plays an important role in Indian economy. The dairy business has more number of employments, especially commercial aspects of business. Commercial customers play important role supplying milk and milk products to customers. This paper brings to purchase preference, satisfaction and expectation of commercial customers. 250 samples collected from tea shops, cycle vendors, bakery and restaurant in Salem district. It concludes most of the commercial customers treat as supportive income generate activity, subsequently commercial customers come forward to engage the business as main stream.

Key words: Dairy Business, commercial customers, Employment, Income.

I. INTRODUCTION

In earlier stage Dairy business is the only source of employment and income generation throughout India. Liberalization of India creates business market and new ideas and it's to increase all the industry especially agriculture. The dairy business also increases global market, but it's considered in allied activity of agriculture. Past two decade's dairy business to provide a number of direct and indirect employments in India. (Selvakumar & Ramaraj, 2017) Especially in the form of employment can classified in to feed production, cattle rearing, milk production, collection center, wholesaler, retailer, local collection agent, milk product manufacturing, transportation, tea and coffee shops. The dairy employment is not seasonal business it gives an employment and income generation though out the year. Milk becomes popular and essential food for throughout the world and some areas it was the only source of food and refreshment drink. Some historians believe that the milk interlinked with the human life. Because milk and milk products almost covered by the different age people in different dimensions, like milk is essential food for children, tea and coffee and milk products to use the young also aged people. (Bharathy & Selvakumar, 2014)

Tamilnadu is one of the leading milk production states in India to reach 35 lakh litre and Aavin stands at fourth position among the state cooperatives across the country. (Selvakumar, 2018) In Tamilnadu has more number of milk district unions consequently Salem is one of leading milk supply district. It is clear that Salem district is equipped with wealthy infrastructure like industries, education institutions and excellent tourist centers. The study was made to the pattern of commercial consumption. The dairy farming offers plenty of income opportunities for the commercial aspects.

II. COMMERCIAL CUSTOMERS

Residential customers are people who are purchasing goods or services for own use whereas commercial customers are purchasing goods or services for business purposes. When a commercial customer is buying goods, they tend to buy in bulk and to produce more number of value added products. This means that they usually get the product they need at a discounted price of purchase. The dairy business has number of commercial customers like tea shops, cycle vendors, Bakery and restaurant. The commercial customers to plays an important role for buying milk from producers and to sell customers.

Tea shop:

Tea shops are the leading employment and income generation business in India. It serves tea, coffee and snacks. Tea shops based on the demand to buy commercial aspects of milk from milk producers, cycle vendors and milk brand agent with standard price. The requirement of milk mostly depends on the availability of milk source and collective decision of tea master and tea shop owners. Every Tea shops to provide employment for 2 to 5 members with in the limit of investment around Rs.50, 000 to Rs.3, 00,000.

Cycle vendor:

Cycle vendor plays major role in the diary business. They are collecting the milk from milk producers and sell the milk to tea shops, bakery, restaurant and making milk products like curd, butter milk, ghee and milk sweets. The cycle vendors have an employment and earn reasonable income throughout the year in dairy business.

Bakery:

Tea and coffee is the major products in bakery, also more number of cookies and junk foods for sales at that time.

Bakery is the expansive business and having more investment compare with tea shops. Bakery also one of the major commercial aspects to buying milk in daily and earn profit through converted milk and milk products.

Restaurant:

Restaurant is one of the commercial units for purchasing milk and to sell the converted products to customers. Mostly restaurants to buy minimum quantity of milk based on the demand.

III. REVIEW OF LITERATURE

R. Sairam (2008) in his article titled, "Aavin Products in Short Supply what they Say' Madurai Matters" has discussed that the shortage in supply of popular Aavin products such as butter, ghee and milk exists for the last six months. Even flavored milk is not available in adequate quantity. There is a lot of demand for these products, the vendor says, adding that every day a lot of customers return home disappointed after making an enquiry for these products. When the supply is good, these products disappear from the shelves quickly.

M.G. Shisode, M.V. Dhumal. and M.F. Siddiqui(2009) in their article on "Evaluation of Constraints Faced by Farmers in Adoption of Dairy Cattle and Management Practices" have opined that the restrictions expressed through the dairy farm animals proprietors of Rajarambapu Patil Sahakari and Dudh Sangh Ltd. Islampur as regards the production, vitamins, management, fitness, financial and milk distribution had been studied. Some remedial measures like trainings, exhibitions, mind storming periods, poster presentations, radio talks and programmes on Door-darshan can be taken as much as create focus in dairy farmers and to impart knowledge to them to adopt new animal and management practices to increase the milk yield.

D.G. Rangappa and N. Rangaswamy (2012) in their article titled, "Milk Production, Sales and Employment Generation in Kolar Mother" have stated that the dairying at present provides jobs to many rural households and utilize the idle agricultural income. The annual employment has provided income to landless, marginal and rural poor farmers.

Das, C.R. (2013) observed that dairying is a significant source of generating employment and rural income. It provides supplementary income to farer household and utilizes idle family members. He stated that farmers get income from agriculture once or twice a year but dairying is a regular source of income. This income generated from dairying is utilized in various household expenditures and on the agricultural production. So, dairying is mostly practiced as subsidiary industry to agriculture.

Kumar, R and Prabhakar, R.K. (2013) reviewed the dairy development in India and focused on challenges and opportunities in Indian dairy business. Despite the increase in manufacturing, a demand supply hole has end up coming near inside the dairy enterprise because of the changing intake conduct, demographic styles, and the rural areas getting rapid urbanization in India. This approach that there may be a pressing need for the growth rate of the dairy region to inform the swiftly growing Indian economy. They tried to perceive numerous prospects and challenges for Indian dairy industry supply chain and figuring out numerous possibilities for governmental agencies to offer vital widespread infrastructures to be able to enhance the efficiency of dairy supply chain management. They additionally tried to reveals out, what ought to be the goal for Indian dairy Industry to triumph over this global crisis faced by way of the united states, and what need to be the evolving techniques adopted by Indian diary industry to have competitive side on the global marketer in diary market.

Sheela, K.S. and Ramegowda, A. (2013) analyzed women empowerment via dairy co-operatives and discover that majority of human beings in rural region are engaged in agriculture, animal husbandry, and other ancillary works. Income of agricultural and allied activity has been as erratic as monsoon. Hence, rural people had been forced to think about generating more supportive income. Since people are much less literate and posses confined talents, the quest for every additional income is restricted to few occupations. Majority of them selected rearing of milking cattle and promoting its milk as a supply for the additional profits. Largely, rural girls have interaction on this activity. These rural women except doing hard family chores also undertake taxing attempt to maintain the farm animals. They supply the produced milk to the properly-set up district cooperative dairies are supporting the women to be self reliant, self-employed, self-diligent, and self-empowered.

Mumba.C, Pandey G.S, van der Jagt.C (2013) the study became to estimate milk manufacturing capability and addressed the interventions associated with enhancing manufacturing, animal husbandry practices and milk advertising in key traditional cattle preserving areas of Zambia. 15 selected districts had a complete population of 162,645 conventional cattle, owned by way of 116,265 families, with a median of 10 farm animals per household. 24 encouraged sites for milk collection facilities in thirteen of the 15 decided on districts. In addition, mopping of milk from the websites and its processing will create an extra employment of about 2,400 on-farm jobs some of the youths in rural areas. There is need for the processors, government, donors and buyers to broaden marketplace thru status quo of milk collection centers.

IV. IMPORTANCE OF THE STUDY

Milk is essential food for all the age group of people like in India.

The milk and milk products demand to give chance more number of employment and income generation throughout India. Over the period of time the white revolution impact to create milk products manufacturing and consumption pattern from raw milk. In these way to increase raw milk purchase in the form commercial consumption. Most of the study concentrates on milk and milk product manufacturing, buying behavior, customer preference, brand loyalty, supply chain, employment and income generation. In this connection to bridge this gap to analyze raw milk is purchased and consumed by commercial users in the pattern of Hot milk, Tea, Coffee, Butter milk, Curd and Sweets. (Selvakumar, A study on problems and practices of milk producers in salem district with special reference to aavin, 2015) This study helps to find out what are needs and wants of commercial customers and how to utilize the demand and supply of milk through commercial business.

V. OBJECTIVES OF THE STUDY

The following objectives are focused on commercial preference for milk purchases.

1. To analyze which factors to influence on commercial purchase of milk.

2. To evaluate pattern of milk consumption in commercial customers.

3. To find satisfaction level of commercial customers.

VI. RESEARCH METHODOLOGY

This study is a combination of both descriptive and analytical. The data required for this study were collected from primary and secondary data. The primary data collected from those who are purchase of raw milk in commercial aspects. Commercial milk producers are scattered all over the district both horizontally and vertically. The commercial customers has infinite population, study comes under non probability used by quota sampling method. The study is conducted in Salem district there are thirteen taluks, each taluk treated as quota. 260 samples equally distributed (20 samples per taluk), 250 taken for further research remaining 10 samples rejected due to insufficient data. The research period of the study is three months, start from January 2019 and ending in April 2019.

VII. TOOLS FOR DATA ANALYSIS

The data collected were edited and classified for analysis. The analytical tools used in this study are Percentage analysis, Analysis of variance and weighted average method and Garret ranking method.

Table: 1

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
Respondent	Owner	112	44.8
	Manager	56	22.4

	Tea Master	82	32.8
	Total	250	100
Nature of Business	Tea Shop	143	57.2
	Bakery	45	18
	Cycle vendor	50	20
	Restaurant	12	4.8
	Total	250	100
Number of Years in business	Below 3years	42	16.8
	3-6 years	56	22.4
	6-9 years	70	28
	Above 9 years	82	32.8
	Total	250	100

INFERENCE:

From the table 1, it is inferred that out of the 250 respondents 44.8% of respondents were owners 22.4% of respondents were managers and 32.8% of respondents were tea master. It was found business type comes under that 57.2% of respondents were from tea shops. 18% of respondents belong to bakery followed by 20% of respondents' cycle vendor and 4.8% of the respondent from restaurants. For the question number of years in this business are 32.8% were running to business above 9 years, 28% running to business 6-9 years, 22.4% running to business in 3-6 years and 16.8% running to business on below 3 years.

Table: 2

S.No	Particulars	No. of respondents	Percentage
Brand preference	Aavin	112	44.8
	Arokya	46	18.4
	Vendor Milk	18	7.2
	Other Brand	25	10
	Own and Nearby	49	19.6
	Total	250	100
Who influenced to buy	Customer	38	15.2
	Supplier	29	11.6
	Nearby Shop	12	4.8
	Advertisement	10	4
	Own Experience	161	64.4
	Total	250	100
Commercial consumption	Own use	130	52
	Resale	83	33.2
	Both	37	14.8
	Total	250	100

INFERENCE:

The above table 2 shows that 44.8% of the respondents are using Aavin brand, 19.6% of the respondents are using for own production and nearby household , 18.4% of the respondents are using Arokya, 10% of the respondents are using other brand Kevin, Nanda and Amul, and 7.2% of the respondents are using Vendor milk. The table shows that 64.4% of the respondents were influenced by their own experience, 15% of the respondents were influenced by customer, 11.6 of the respondents are supplier, 4.8% of respondents are nearby shop and 4% of the respondents are Advertisement. The above table shows that 52% of respondents buy for own use, 33.2% of respondents for resale and 14.8% of respondents for own use and resale.

Table: 3

S.NO	Particulars	No. of respondents	Percentage
Consumption Level	Below-10 liter	42	16.8
	11-20 liter	103	41.2
	21-30 liter	76	30.4
	Above 31 liter	29	11.6
	Total	250	100
Profit per litre	Below-10.Rs	30	12
	11-20.Rs	99	39.6
	21-30.Rs	69	27.6
	Above-31.Rs	52	20.8
	Total	250	100

INFERENCE:

The table 3 shows that 41.2% of respondents purchase 11-20 liters/day, 30.4% of respondents purchase 21-30 liters/day, 16.8% of respondents purchase below 10 liters/day and 11.6% of respondents purchase above 31 liters/day. The table shows that 39.6% of the respondents get 11-20 Rs, 27.6% of the respondents get 21-30 Rs, 20.8% of the respondents get above 20.8 Rs and 12% of respondents get below Rs.10.

Table: 4 Commercial pattern of milk consumption in Salem district

Methods	1st	2nd	3rd	4th	5th	6th	7th	Total
Tea	207	29	9	4	1	0	0	250
Coffee	10	188	30	12	7	3	0	250
Hot milk	9	5	130	65	32	7	2	250
Curd	12	15	38	91	71	16	7	250
Butter milk	5	10	32	54	89	59	1	250
Sweets	5	2	6	15	39	123	60	250
Beverages	2	1	5	9	11	42	180	250

Data: Rank from Respondents

INFERENCE:

The Percent Position and Garret Value the Garret ranks were calculated by using appropriate Garret Ranking formula. The based on the Garret ranks, the garret value was calculated. The Garret tables and scores of commercial pattern of milk consumption in above table 4, and multiplied to records scores in table 4.a, finally by adding each row, the total Garret score were obtained table 4.b.

$$\text{Percent position} = \frac{100\,(R_{ij} - 0.5)}{N_j}$$

R_{ji} = Rank given for the ith variable by the jth respondent

N_j = number of variables ranked by the jth respondent

The result is provided in the following table.

Table: 4.a

100(Rij-0.5)/Nj	CV	GV
100(1-0.5)/7	7.14	78
100(2-0.5)/7	21.42	65
100(3-0.5)/7	35.71	57
100(4-0.5)/7	50	50
100(5-0.5)/7	64.29	42
100(6-0.5)/7	78.57	34
100(7-0.5)/7	92.86	21

Table: 4.b

Methods	1st	2nd	3rd	4th	5th	6th	7th	Total
Tea	16146	1885	513	200	42	0	0	18786
Coffee	780	12220	1710	600	294	102	0	15706
Hot milk	702	325	7410	3250	1344	238	42	13311
Curd	936	975	2166	4550	2982	544	147	12300
Butter milk	390	650	1824	2700	3738	2006	21	11329
Sweets	390	130	342	750	1638	4182	1260	8692
Beverages	156	65	285	450	462	1428	3780	6626

INFERENCE:

The 4.b table shows that commercial customers preference ranked by the pattern of milk consumption in Salem district. The ranks contain with the help out of Garret ranking technique. Tea got the first rank (21.66%), followed by coffee (18.10%), Hot milk (15.34%), Curd (14.18%), Butter milk (13.06%), Sweets (10.02%), and Beverages (7.64%) 2nd, 3rd, 4th, 5th, 6th and 7th positions of ranks respectively.

Table: 5. Level of satisfaction

FACTORS	Highly Satisfied		Satisfied		Neutral		Dissatisfied		Highly Dissatisfied	
	R	S	R	S	R	S	R	S	R	S
Price	395	79	376	94	171	57	30	15	5	5
Quality	165	33	156	39	204	68	106	53	57	57
Quantity	580	116	388	97	102	34	4	2	1	1
Freshness	260	52	188	47	237	79	138	69	3	3
Availability	600	120	280	70	63	21	62	31	8	8
Credit Terms	355	71	216	54	219	73	86	43	9	9
Packing	120	24	116	29	348	116	94	47	34	34
Regular Supply	335	67	216	54	267	89	64	32	8	8
Relationship	465	93	304	76	192	64	24	12	5	5
Add	175	35	252	63	282	94	104	52	6	6

Source: Primary Data, *R: Respondents S: Score*

Table: 5.a Total scores and Remarks

S.NO	FACTORS	Total Score	Weighted Score	Remarks
1	Price	977	3.91	Satisfied
2	Quality	688	2.75	Neutral
3	Quantity	1075	4.3	Highly Satisfied
4	Freshness	826	3.3	Satisfied
5	Availability	1013	4.05	Highly Satisfied
6	Credit Terms	885	3.54	Satisfied
7	Packing	712	2.85	Neutral
8	Regular Supply	890	3.56	Satisfied
9	Relationship	990	3.96	Satisfied
10	Advertisement	819	3.28	Satisfied

Source: Primary Data The table 5.2 shows the respondents' opinions about the level of satisfaction in commercial customers to purchase milk for Price, Quality, Quantity, Availability, Credit Terms etc. It is inferred that the weighted arithmetic mean values show that more number of respondents are satisfied with the Quantity of milk (4.3),

Availability of milk at that time (4.05), Relationship between commercial customers and milk vendors (3.96), milk Price per liter (3.91), Regular Supply from milk vendor (3.56), allowed Credit facility and terms (3.54), some of dissatisfied about Freshness (3.3), Advertisement (3.28), Packing (2.85), Quality of milk (2.75) because low quality and low freshness of milk to reduce the quality of output for commercial aspect.

VIII. FINDINGS

❖ Most of respondent decision influenced by own experience, preferred brand for Aavin and to use for own.

❖ Tea and coffee plays on important role in consumption pattern of commercial customers.

❖ Availability of milk and quantity is highly satisfied, Quality and packing is moderate.

VIII. SUGGESTION

❖ Government to recognize and provide financial support for further extension of dairy business.

❖ Mutual contract between suppliers and commercial customers in regular supply, Price and credit terms.

❖ Tamiilnadu co-operative society Salem (Aavin) provides contract for regular supply of milk and other raw materials with subsidy rate and produce collective milk and milk products.

❖ Commercial customers to maintain good relationship with milk producers and customers for long term business.

IX. CONCLUSION

The milk is traditionally consumed by all age group people. The commercial users to interlink the producers to customers also fulfill demand and supply of milk throughout the year. Therefore, it turns into a necessity to find the desire of industrial customer want and desires. Any firm can begin the dairy business just to earn profits. Commercial customers need to conduct patron survey by way of which they can apprehend the energy and weakness in their products and service can devise appropriate strategies and can increase their market percentage. Most of the commercial customers to treat a supportive income of activity, subsequently people come forward and actively engage the business in main stream to get more employment and income.

REFERENCES

[1] Bharathy, R., & Selvakumar, M. (2014). A study on problems encountered in milk production in Salem district of Tamilnadu: an empirical study. *Golden Research Thoughts, 3*(10), 1-5.

[2] Selvakumar, M. (2015). *A study on problems and practices of milk producers in salem district with special reference to aavin.* ir.inflibnet.ac.in.

[3] Selvakumar, M. (2018). Study on Raw Milk Purchase and Milk Consumption Pattern in Omalur Taluk of Salem District. *International Journal of Scientific Research in Computer Science Applications and Management Studies, 7*(3), 27.

[4] Selvakumar, M., & Ramaraj, B. (2017). A Study on Income Generation and Employment Opportunities towards Milk and Milk Products Production in Salem District. *Jour of Adv Research in Dynamical & Control Systems, 07*(Special Issue), 266-269.

[5] Sairam.R, "Aavin Products in Short Supply what they Say' Madurai Matters*", Indian Journal of Marketing*, March 2008.

[6] Shisode M.G., Dhumal. M.V And Siddiqui,MF (2009), "Evaluation of Constraints Faced by Farmers in Adoption of Dairy Cattle and Management Practices", *The Indian Journal of Field Veterinarians*, Vol.5, Issue 1, 2009, p.26.

[7] Rangappa D.G., Rangaswamy N., "Milk Production, Sales and Employment Generation in Kolar Mother", *Southern Economist*, 51st year of Publication, Vol -51, No-4, June 2012, pp. 43.

[8] Das, C.R. (2013) "Dairying and Rural Development, Discovery Publishing House Pvt. Ltd., New Delhi, India, pp. 5-6.

[9] Kumar, R. and Prabhakar, R.K. (2013) "Opportunities and Challenges in IndianDairy Industry Supply Chain: A Literature Review" *International Journal of Logistics and Supply Chain Management Perspectives*, Vol.2, No.4, October- December, pp. 791-800.

[10] Sheela, K.S. and Ramegowda, A. (23013),"Dairy Co-operative and Empowerment of Women" *International Journal of Advanced Social Sciences and Humaties*, Vol.2, No.9, September, pp. 034-042.

[11] Mumba, Pandey and van der Jagt "Milk production potential, marketing and income opportunities in key traditional cattle keeping areas of Zambia" *Livestock Research for Rural Development,* 25th March 2013.

[12] Selvakumar, "A study on problems encountered in milk production in Salem district of Tamilnadu: an empirical study" *Indian Streams Research Journal*, Vol.4, Issue 2, March 2014.

ACKNOWLEDGEMENT

AUTHORS PROFILE

1. Biographical notes: M.Selvakumar is Post-Doctoral fellow in Department of Management Studies, Periyar University, Salem, Tamil Nadu, India. He pursued his BBA (Bachelor of Business Administration) in April 2007 from Salem Sowdeswari College, MBA (Master of Business Administration) in May 2010 from Periyar Institute of Management Studies (PRIMS), Periyar University, Salem-11 and Doctor of Philosophy in Management Studies in August 2015, from Periyar University, Salem. His Area of Specialization is Marketing and Entrepreneurship. He has published 10 articles in peer-reviewed international journals. He has over 9 years of experience in teaching & research and 2 years' experience in marketing field. His current area of research includes marketing, Technology development and entrepreneurship. He has participated in 15 FDPs, presented more than 50 papers in conferences and seminars. He has qualified SET in Management (2016) and commerce (2017). He has been awarded Indian Council for Social Science Research (ICSSR) Doctoral Fellowship for the year 2013-2015 and awarded Indian Council for Social Science Research (ICSSR) Post-Doctoral Fellowship for the year 2017-2019.

2. Biographical notes: G.Yoganandan is Associate Professor at Department of Management Studies, Periyar University, Salem, Tamil Nadu, India. He pursued his B.Sc Bachelor of Science (Chemistry) in April 1997 from Erode Arts College, Erode, affiliated to Bharathiar University, Coimbatore and Doctor of Philosophy in Management Studies in April 2014, from Anna University, Chennai. His Area of Specialisation is Marketing, International Marketing and Entrepreneurship. He has published 59 articles in peer-reviewed international journals. He has over 18 years of experience in teaching & research and 2 years' experience in textile export industry. His current area of research includes rural marketing, international marketing and entrepreneurship.

Retrieval Number: D11871284S219/2019©BEIESP
DOI:10.35940/ijrte.D1187.1284S219

802

Published By:
Blue Eyes Intelligence Engineering
& Sciences Publication

He has guided 23 M.Phil scholars. Currently, he is guiding one Post-Doctoral Fellow, 5 Ph.D research scholars while 2 research scholars have submitted their Ph. D thesis. He has completed a Major Research Project funded by Rajiv Gandhi National Institute of Youth Development, Sriperumpudur and an ongoing Major Research Project funded by ICSSR (under IMPRESS Scheme), New Delhi. He has presented 53 research papers national and international seminars and has acted as Chair person in 4 international conferences. He has given guest lecturers in more than 20 forums. He have participated in 11 FDPs and organized 15 programmes. He has received two awards for teaching and research. He has visited University of Kelaniya, Sri Lanka for International Conference.