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**A STUDY ON CONSUMER SATISFACTION OF
PANCHAMRUT DAIRY PRODUCTS IN PANCHMAHAL
DISTRICT OF GUJARAT STATE**

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**“A STUDY ON CONSUMER SATISFACTION OF
PANCHAMRUT DAIRY PRODUCTS IN PANCHAMAHAL
DISTRICT OF GUJARAT STATE”**

A PROJECT REPORT

Submitted by

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In partial fulfillment for the award of the degree

of

**MASTER OF BUSINESS ADMINISTRATION
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Under the Guidance of

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ANAND-388110

CERTIFICATE

This is to certify that the project entitled “**A Study on Consumer Satisfaction of Panchamrut Dairy Products in Panchmahal District of Gujarat state**” of M.B.A (International Agribusiness) embodies bonafide research work carried out by **SHASHANK JAIN (Reg. No. 04-2062-2012)** under my guidance and supervision and that no part of this project work has been submitted for any other degree. The assistance, guidance and help received during the course of investigation have been fully acknowledged.

Place: IABMI, Anand

(Dr. Mahesh R. Prajapati)

Date:

Major Advisor

DECLARATION

I hereby declare that the project entitled **“A Study on Consumer Satisfaction of Panchamrut Dairy Products in Panchmahal district of Gujarat state”** submitted for the M.B.A (International Agribusiness) degree is my original work and this has not formed the basis for the award of any degree, associate ship or other similar titles.

Place: IABMI, Anand

Name: Shashank Jain

Date:

Reg. No: 04-2062–2012

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Date:

Place: Anand

Shashank Jain

**“A study on consumer satisfaction of Panchamrut dairy products in
Panchmahal district of Gujarat state”**

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ABSTRACT

Customer satisfaction is a fundamental marketing construct in the last three decades. In the past, it was unpopular and unaccepted concept because companies thought it was more important to gain new customers than retain the existing ones. However, in this present decade, companies have gained better understanding of the importance of customer satisfaction and adopted it as a high priority operational goal.

This project entitled “A study on consumer satisfaction of Panchamrut dairy products in Panchmahal district of Gujarat state” was carried out in lines of the objectives; to know the purchase behaviour and factors considered by customers before purchase of selected dairy products also to find out the perceived importance of attributes responsible for satisfaction and performance after use and to know the process of problem redresses adopted by consumers and feedback mechanism from dairy.

The information was gathered through the survey of 200 respondents with the help of structured questionnaire. Respondents residing in Godhara, Lunawada, Halol and Sahera of Panchmahal district and who have purchased either Ghee,

Curd or Buttermilk; were asked to rate and rank major known factors which are important before purchase decisions and also after use satisfaction.

Results obtained in this research indicated that most customers have purchased the products of Panchamrut Dairy. Out of 200 respondents maximum have purchased Buttermilk 167 (83%) also Ghee 126 (63%) and Curd 124 (62%). And maximum respondents used to purchase their dairy products from nearby retailers (70%) and then dairy outlets (30%).

Respondents were asked to rate the factors they consider before purchase among quality, timeliness, taste, price and brand. Quality timeliness and taste emerged as most important factors ranked first, second and third respectively as per weighted mean rating given by customers.

Taste, nutritious value and availability were the most important attributes considered by the respondents responsible for satisfaction. Respondents were asked to rank attributes and taste has got maximum weighted mean of 4.835 out of 7 and ranked first by respondents, followed by availability at second which got 4.770, nutritious value at third with 4.555 mean score. Thickness comes at fourth with 2.545 mean score followed by packaging, smell and texture with the mean scores of 2.410, 1.825 and 0.250 respectively.

The findings revealed that all attributes of Buttermilk were performing above average, taste (weighted mean of 3.89) was best and availability (3.12) was poor performing attribute among all. All attributes of Ghee were performing above average and taste (weighted mean of 3.97) was best performing attribute and smell (3.68) was poor performing attribute. In Curd also almost all attributes were performing above average, taste (weighted mean of 3.75) was found to be best performing attribute and texture (mean weight of 3.45) was poor performing attribute.

As per the opinions of respondents it was revealed that customer complaints redresses was the major area to focus on however there were no regular complaint or major complaints raised by respondents but none of the complaint redressed successfully also no regular feedback mechanism was following in the study area which should be corrected.

The results are not bad they are not great either the customer satisfaction is the precursor of loyalty so dairy should focus on delivering higher value to its customers and can win their loyalty. Quality and taste should be given more focus also availability of products should be made consistent in order to boost the level of satisfaction.

LIST OF CONTENTS

Sr. No.	Particulars	Page No.
	Abstract	i
	List of tables	vi
	List of Figures	viii
	Abbreviation	ix
I	INTRODUCTION	1
1.1	Background of the study	1
1.2	An overview of Indian dairy industry	2
1.3.	Global Dairy Consumption	4
1.4	Challenges before Global Dairy Industry	5
1.5	Dairy Trade	6
1.6	Progress of dairying in India at a glance	7
1.7	Dairy products consumption in India	8
1.8	Company Profile	11
1.9	Objectives	12
1.10	Products of Panchamrut Dairy	13
1.11	Distribution network of Panchamrut Dairy	14
1.12	Customer Satisfaction	15
1.13	Steps taken up by Panchamrut dairy to know perceptions and boost up customer satisfaction	16
1.14	Market coverage	16
1.15	Market share	17
1.16	Objectives of the study	17
II	REVIEW OF LITERATURE	18
III	RESEARCH METHODOLOGY	23
3.1	Background of study	23

	3.2	Sources of data	23
	3.3	Research Design	23
	3.4	Limitations of the study	25
IV		RESULTS AND DISCUSSION	26
	4.1	Basic information about consumers	26
	4.2	Purchase behaviour of respondents	32
	4.3	Perceived attributes importance	38
	4.4	Problems Redresser and Feedback Mechanism	42
V		SUMMARY AND CONCLUSION	
	5.1	Summary	48
	5.2	conclusion	49
	5.3	Recommendations	51
		REFERENCES	x
		ANNEXURE	xii

LIST OF TABLES

Table NO.	TITLE	PAGE NO.
1.1	Estimates of production and per capita availability of milk from 2006-07 to 2010-11 -all India	8
1.2	Per capita monthly consumption expenditure on milk and milk products	10
1.3	Particulars of Panchamrut dairy	11
4.1.1	Area of respondents	26
4.1.2	Age of the respondents	27
4.1.3	Gender of respondents	28
4.1.4	Education level	28
4.1.5	Occupation	30
4.1.6	Annual income of respondents	31
4.2.1	Purchased products of Panchamrut dairy	32
4.2.2	Purchase frequency of buttermilk	33
4.2.3	Purchase frequency of ghee	34
4.2.4	Purchase frequency of curd	35
4.2.5	Point of purchase of dairy products	36
4.2.6	Importance of factors before purchase of Dairy products	37
4.3.1	Attributes considered by respondents for satisfactory performance	38
4.3.2	Buttermilk average attribute performance in 1-5 scale	39

4.3.3	Ghee Average attribute performance	40
4.3.4	Curd average attribute performance in 1-5 scale	41
4.4.1	Problem count	42
4.4.2	Problematic product	43
4.4.3	Problem causing factor of buttermilk	44
4.4.4	Problem causing factor in ghee	45
4.4.5	Problem conveyed	46

LIST OF FIGURES

FIGURE NO.	TITLE	PAGE NO.
1.1	Consumption Pattern India	9
1.2	Per capita monthly consumption expenditure on milk and milk products	10
1.3	Distribution Network of Panchamrut dairy	14
4.1.1	Area of respondents	26
4.1.2	Age of the respondents	27
4.1.3	Gender of respondents	28
4.1.4	Education level	28
4.1.5	Occupation	30
4.1.6	Annual income of respondents	31
4.2.1	Purchased products of Panchamrut dairy	32
4.2.2	Purchase frequency of buttermilk	33
4.2.3	Purchase frequency of ghee	34
4.2.4	Purchase frequency of curd	35
4.4.1	Problem count	42
4.4.2	Problematic product	43
4.4.3	Problem causing factor of buttermilk	44
4.4.4	Problem causing factor in ghee	45
4.4.5	Problem conveyed	46
4.4.6	Feedback from dairy	47

ABBREVIATIONS

AMUL	Anand Milk Union Limited
Bn	Billion
CAGR	Compound Annual Growth Rate
DCS	Dairy Cooperative Societies
e.g.	Exempli gratia “for example”
EU	European Union
Fig.	Figure
FY	Fiscal Year
GCMMF	Gujarat Cooperative Milk Marketing Federation
GOI	Government of India
i.e.	Id est "that is"
INR	Indian Rupee
NDDB	National Dairy Development Board
RTE	Ready To Eat
USD	United States Dollar

I. INTRODUCTION

1.1. Background of the study

Enterprises survive on the market by selling various kinds of products. Therefore, they should pay special attention to their clients. Recognising clients' needs makes it possible to provide them with such products that meet their expectations, bring them satisfaction and are to their liking. The aim of the present study is to show how a typical client behaves on the market of selected dairy products and according to what criteria he chooses the product. Enterprises should get to know the process of making the decision to purchase as well as the factors which affect purchasers' behaviour. It is the client who decides which market offers are the most valuable. It is not important what enterprises think about their own market offer, but what its recipients think about it. Clients' decisions determine the future of an organisation

Customer satisfaction – The Essence

One of the key elements occurring in the process of satisfaction formation is among others the so-called "client- -delivered value". As for satisfaction, perceived value must match with actual value. It is not true that "the value is an adequate equivalent of (identical with) the price. Goods and services of high value may have a high or low price". It is the real identification of perceptions which helps in delivering the high value to its customers.

The correlation between the client's satisfaction and the volume of sales is an extraordinarily strong argument for turning to using customer satisfaction, or to be more precise the information obtained from the analysis of its measurement in planning, control, and innovation of the enterprise systems. It is an adequate identification of the value expected by the customer that determines the firm's success.

1.2. An overview of Indian dairy industry-

India ranks first in the world in terms of milk production. At present, the dairy sector has an estimated consumer demand for milk and milk products at EUR 26 billion, at about 8 percent growth per annum. About 35 percent of milk produced in India has meant for processing. The organized sector (large scale dairy plants) processes about 13 million tons annually, while the unorganized sector processes about 22 million tons per annum. Besides, the raw milk production, some of the chief bi-products manufactured like: Infant milk food, malted food, condensed milk and cheese. The southern and western regions collectively contribute for 80 percent of the milk produced in India. The rapid growth of the dairy-processing industry is likely to lead to a greater demand for value-added, milk-based products, such as processed cheese, table butter, sour milk, yoghurt and ice cream. A higher demand for branded and pro-biotic milk has also led to a rise in investment for milk processing. As per Dairy India 2007, the private dairies had outpaced the cooperative sector and become the largest producers of milk in the industry and the Private dairies are contributing double the quantity of milk when compare to the cooperatives in 2011.

In the development of milk production, dairy cooperatives have a major role. Many small dairy cooperatives are now full-fledged milk producers; AMUL of Gujarat is one of such example. Till about year 2000, India was not on the radar screen of most international dairy companies, since India was neither a major importer nor an exporter of dairy products. Through the 70's, 80's and 90's India used to take some milk powder and butter oil as aid. Exports from India were insignificantly small. From 2000 onwards, Indian dairy products, particularly milk powder, and ghee started making their presence felt in global markets.

Nevertheless, the Indian dairy sector has started as the producer-owned and professionally-managed cooperative system. As of March 2001, India's 96,000 local dairy cooperative societies (DCS) included more than ten million farmers

have integrated in a three-tiered cooperative structure. Though dairy cooperatives have found throughout India, the cooperative movement has been most successful in a few states, notably Gujarat. Gujarat's success can be attributed to a higher rate of farmer activism and more efficient political institutions.

Over the years, states have developed popular dairy brands such as Amul (from Gujarat), Vijaya (from Andhra Pradesh), Verka (from Punjab), Saras (from Rajasthan), Nandini (from Karnataka), Milma (from Kerala) and Gokul (from Maharashtra). These brands have earned high degrees of brand recognition and customer confidence, especially within in their respective states. The Indian dairy industry faces challenges from the international dairy market. The Indian dairy industry had characterized by relatively high costs in milk production, processing, and marketing, and relatively poor quality of milk due to unhygienic handling, this could potentially pose a significant threat to the industry and its farmers.

The Indian dairy industry reported a market size of USD 48.5 billion in FY2011. With a Compound Annual Growth Rate (CAGR) of 16 percent, it is anticipated to reach USD 118 billion in 2017. On the back of a rise in disposable income, coupled with strong demand for dairy products, the Indian dairy industry is all set to experience high growth rates in the next five years.

Dairying a part of agriculture-

In many respects the dairy industry occupies a special position among the other sectors of agriculture. Milk is produced every day and gives a regular income to the numerous small producers. Milk production is highly labour-intensive and provides a lot of employment.

The dairy industry is the sector with the highest degree of protection due to the economically vulnerable position of small milk producers. Milk - also known as white gold - can be used to make an enormous variety of high quality products.

The high cost of milk as a raw material has necessitated a high-tech processing industry. The special nature of milk (perishable and bulky) leads to the necessity of strict and comprehensive quality regulation and to high transport costs. The large dependence of milk producers on the dairy processing industry has resulted in a strong position held by the co-operatives in milk marketing and in the processing industry.

The whirlwind 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, the international dairy markets are increasingly liberalised and are giving greater opportunities to low cost producers, including many from developing countries.

1.3. Global Dairy Consumption

Total milk consumption in developed countries stayed more or less constant over the last twenty years, while significant increases in global milk consumption are due to population growth and per capita income growth in developing countries. The latter has led to the emergence of an affluent middle-class in many low and middle income countries in Southeast Asia, Latin America and Central and Eastern Europe. Additional “westernization” trends leading to increasing preferences for new value-added products in many of these economies generate additional dairy market growth.

The composition of dairy product consumption varies across different regions with liquid milk as the overall most important product by volume. However, processed dairy products become more important with increasing incomes and living standards, and in developed countries the trend goes more and more towards high value functional foods that require considerable research investments and sophisticated processing.

1.4. Challenges before Global Dairy Industry

Dairy companies all over the world face a number of changes and challenges which are forcing them to reconsider their strategies. The most important challenges are a growing demand for dairy products, with world demand growing by 2 percent a year or a quantity equal to the entire annual production of Australia, coupled with concerns about the milk supply growing at a slower pace than demand.

Furthermore, dairy companies face an increasing number of consumer requirements in combination with increasing customer power. Food retailers, the foodservice industry and the food processing industry are the key customers for dairy products. The leading companies in this sector tend to be significantly larger than the players in the dairy industry and the on-going global consolidation process is further increasing their market power. Consequently, the concentration process by means of mergers, acquisitions and strategic alliances in the dairy industry has been very pronounced and is expected to continue.

The milk and dairy products have a prominent place in the global food products market. Due to factors like rising concerns about vegetarianism, health advantages of milk and dairy products over non-vegetarian foods, and ecological balance, the use of milk and dairy products is increasing globally. This has resulted in increased worldwide production of milk.

As demand in dairy products is not rising at equal rates all over the world but hardly at all in developed and strongly in some developing regions the challenges dairy companies face vary depending on the market they operate in. Companies operating in the big but mature dairy markets of Europe and the US face limited market growth opportunities in volume terms as per capita consumption levels are among the highest in the world and growth can only

occur by increasing market shares or switching to higher value-added products. Due to these limited market opportunities in developed countries, multinational dairy companies are often attracted by strong growth markets in developing countries. To benefit from the growth of their own domestic markets, local companies will have to raise product quality and efficiency to be able to withstand foreign competition.

1.5. Dairy Trade

The dairy sector is highly localised, as milk is a bulky and perishable product, and dairy products are mostly consumed in the country or region where they are produced. Only a small fraction of global production is traded internationally. Despite the technological developments in refrigeration and transportation only 7 percent of the milk produced is traded internationally if intra-EU trade is excluded.

Trade in dairy products is very volatile, as dairy trade flows can be affected by (a) overall economic situation in a country, (b) fluctuations in supply and demand, (c) changing exchange rates and (d) political measures. Additional volatility is introduced by the fact that the global dairy market is extremely concentrated in terms of buyers and sellers; hence, supply or demand shocks are not easily absorbed.

With demand for dairy products most rapidly rising in regions that are not self-sufficient in milk production, volumes of dairy trade are growing. Also the share of global dairy production that is traded will increase as trade will grow at a faster pace than milk production.

1.6. Progress of dairying in India at a glance

The dairy industry in India has developed and developing as large industry and as per the certification of the International Dairy Industry India is the world's largest milk producer and large numbers of industries are engaged in routine commercial production of pasteurized milk and milk products.

After the independence dairy and animal husbandry taken vital importance in India. For this lot of development programs made by the government through Five year plans. This leads to formation of National dairy Development Board in 1965 and thus in 1970 decided to bring a White Revolution throughout the country.

The NDDB began its operations with the mission of making dairying a vehicle to a better future for millions of grassroots milk producers. The mission achieved thrust and direction with the launching of "Operation Flood", a programmer extending over 26 years and which used World Bank loan to finance India's emergence as the world's largest milk producing nation. Operation Flood's third phase was completed in 1996 and has to its credit a number of significant achievements.

As on March 2006, India's 1, 17, 575 village dairy cooperatives federated into 170 milk unions and 15 federations procured on an average 21.5 million litres of milk every day. 12.4 million farmers are presently members of village dairy cooperatives.

Till about year 2000, India was not on the radar screen of most international dairy companies, since India was neither a major importer nor an exporter of dairy products. Through the 70's, 80's and 90's India used to take some milk powder and butter oil as aid. Exports from India were insignificantly small. From 2000 onwards, Indian dairy products, particularly milk powder, and ghee started making their presence felt in global markets.

TABLE 1.1 Estimates of production and per capita availability of milk from 2006-07 to 2010-11 -all India

Year (March to Feb)	Milk Production (million tonnes)	Human Population (million nos.)	Per Capita Availability (gram./day)
2006-07	102.6	1122	251
2007-08	107.9	1138	260
2008-09	112.2	1154	266
2009-10	116.4	1170	273
2010-11	121.8	1186	281

Source: State/UT Animal Husbandry Departments 2012

1.7. Dairy products consumption in India

The consumption pattern of dairy products in India is quite unique as compared to some of the western countries. Consumption is primarily skewed towards traditional products; however, westernized products are gradually gaining momentum in the urban areas.

Out of total the milk traded, over 50 % of the milk is in the form of liquid milk, another around 35 % in the form of traditional products and the remaining 15 % is accounted for by butter, milk powders and other western type manufactured products.

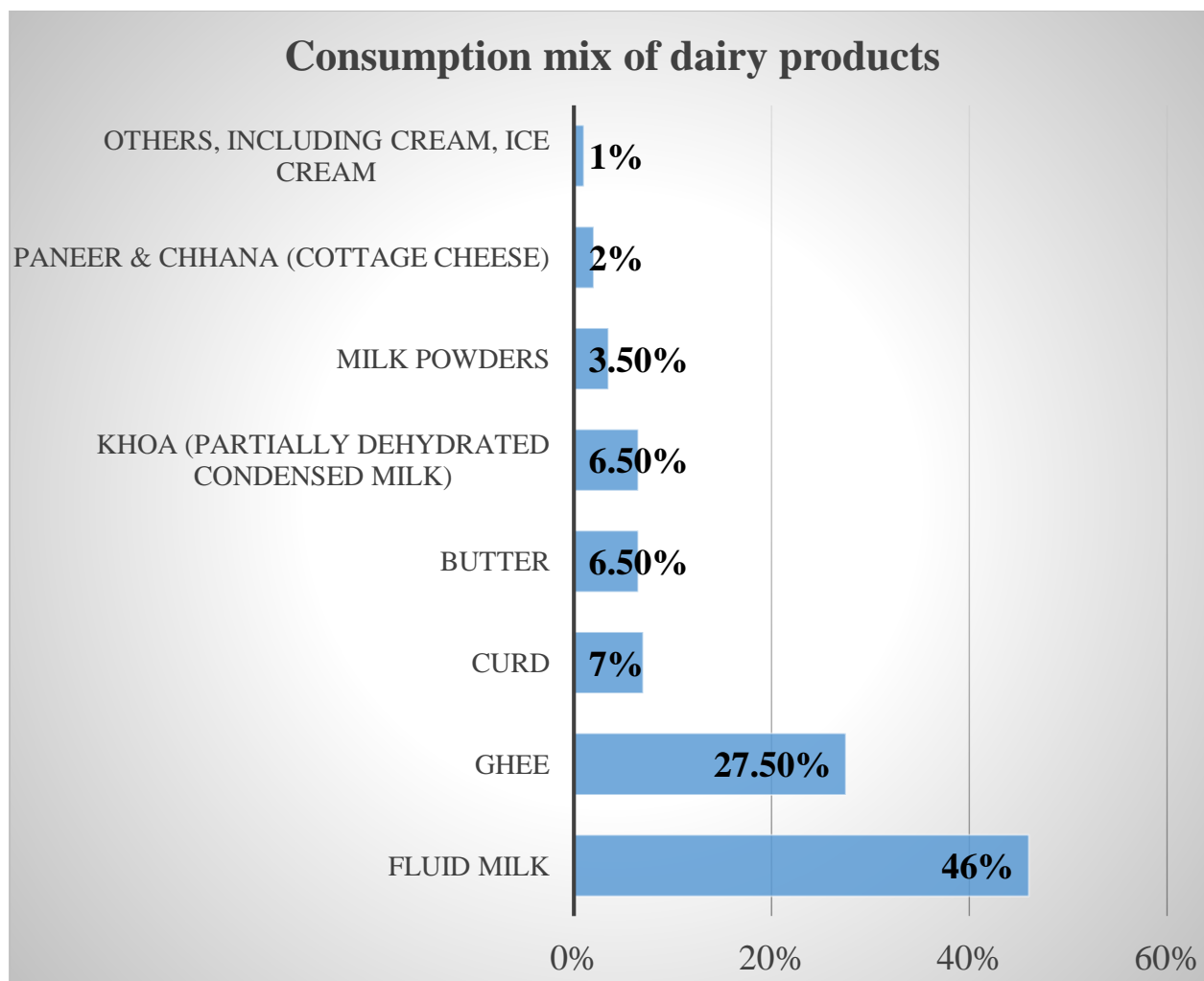


Fig 1.1 Consumption Pattern India

Source: Singh, R.(2011). India Dairy and Products Annual Report 2010

The demand for packaged, branded traditional milk products is increasing rapidly. The further growth of the market for value - added indigenous dairy products is expected largely for ethnic foods such as flavoured milk, dahi, ghee, paneer, lassi, kheer etc.

Table 1.2 Per capita monthly consumption expenditure on milk and milk products

Year	Rural consumption in ₹	Urban consumption in ₹
2001	42.97	75.9
2002	45.34	78.19
2003	44.69	80.03
2004	47.6	82.98
2005	47.31	83.3
2006	50.94	84.94
2007	56.32	97.49
2008	60.18	106.64
2010	80.16	138.71

Source: National Dairy Development Board statistics 2012

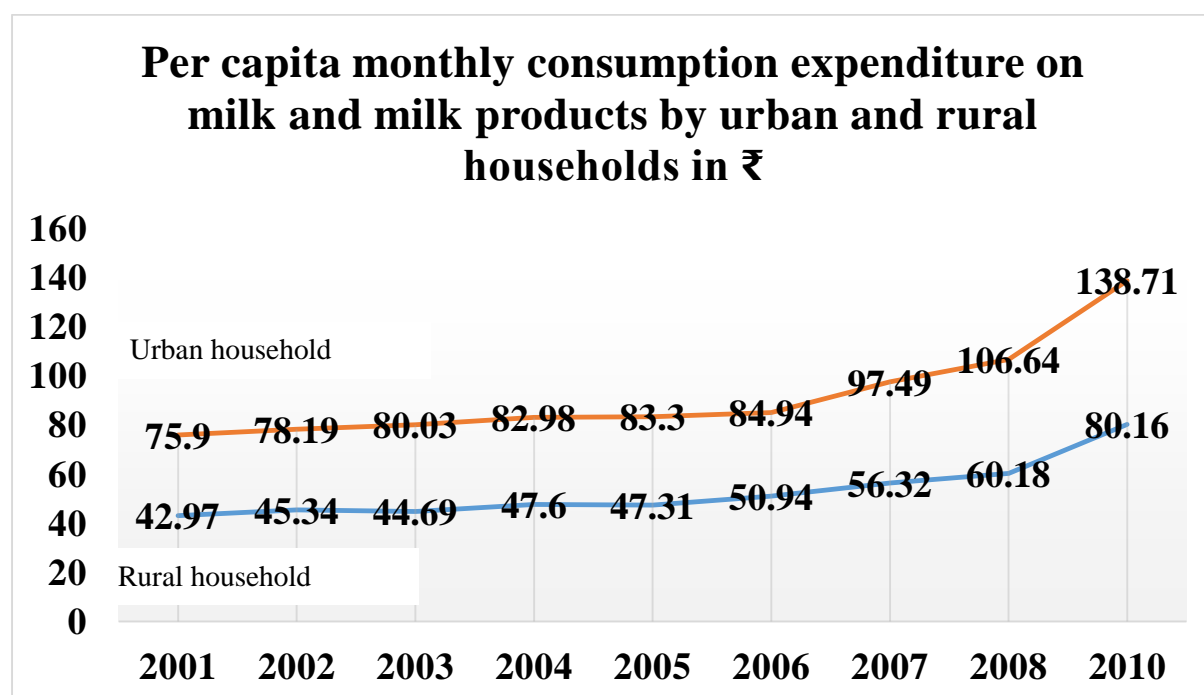


Fig. 1.2 Per capita monthly consumption expenditure on milk and milk products

1.8. COMPANY PROFILE

PANCHAMRUT DAIRY-



Panchamrut dairy was started on the wake of The Co-operative Dairy Movement in India which as well initiated with the establishment of AMUL in 1946. Following that the co-operative district milk unions in different districts took shape. During early 70's, when the co-operative leaders of erstwhile; Panchmahal District, thought to have a district co-operative milk union at district head quarter Godhra. In May, 1973 The Panchmahal Dist.Co-op. Milk Producers' Union Ltd., got registered under Gujarat State Co-op. Act. 1962.

Table 1.3 Particulars of Panchamrut dairy

Name	Panchamrut Dairy
Address	Panchamrut dairy, Lunawada road, Godhra, Gujarat
Chairman	Mr. Jethabhai Bharvad
Managing Director	Mr. Suresh Patel
Establishment year	1973
Bankers	Bank of Baroda
Promoters	The Panchmahal District Co-op Milk Producers' Union Ltd

1.9 OBJECTIVES-

The Objectives of the Union are to carry out activities for the economic development of the milk producers by or gaining effective production, processing and marketing of milk & milk products.

1.10 PRODUCTS OF PANCHAMRUT DAIRY-



Amul Gold



Amul Shakti



Amul Taaza



Amul Slim N Trim



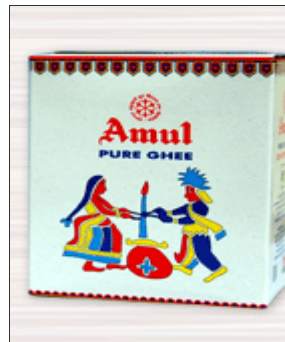
Amul Slim N Trim



Chhas



Panchamrut Ghee



Amul Ghee



Amul Ghee



Panchamrut Ghee



Amul Ghee



Amul Butter



Sagar Milk Powder



Sagar Skimmed Milk Powder

Among all products, Panchamrut dairy has its separate product range under its own brand name “Panchamrut” and available for customers of Panchmahal and Dahod district of Gujarat. Product e.g. Panchamrut Ghee, Panchamrut dahi and Buttermilk available under this brand name.

1.11 DISTRIBUTION NETWORK OF PANCHAMRUT DAIRY-

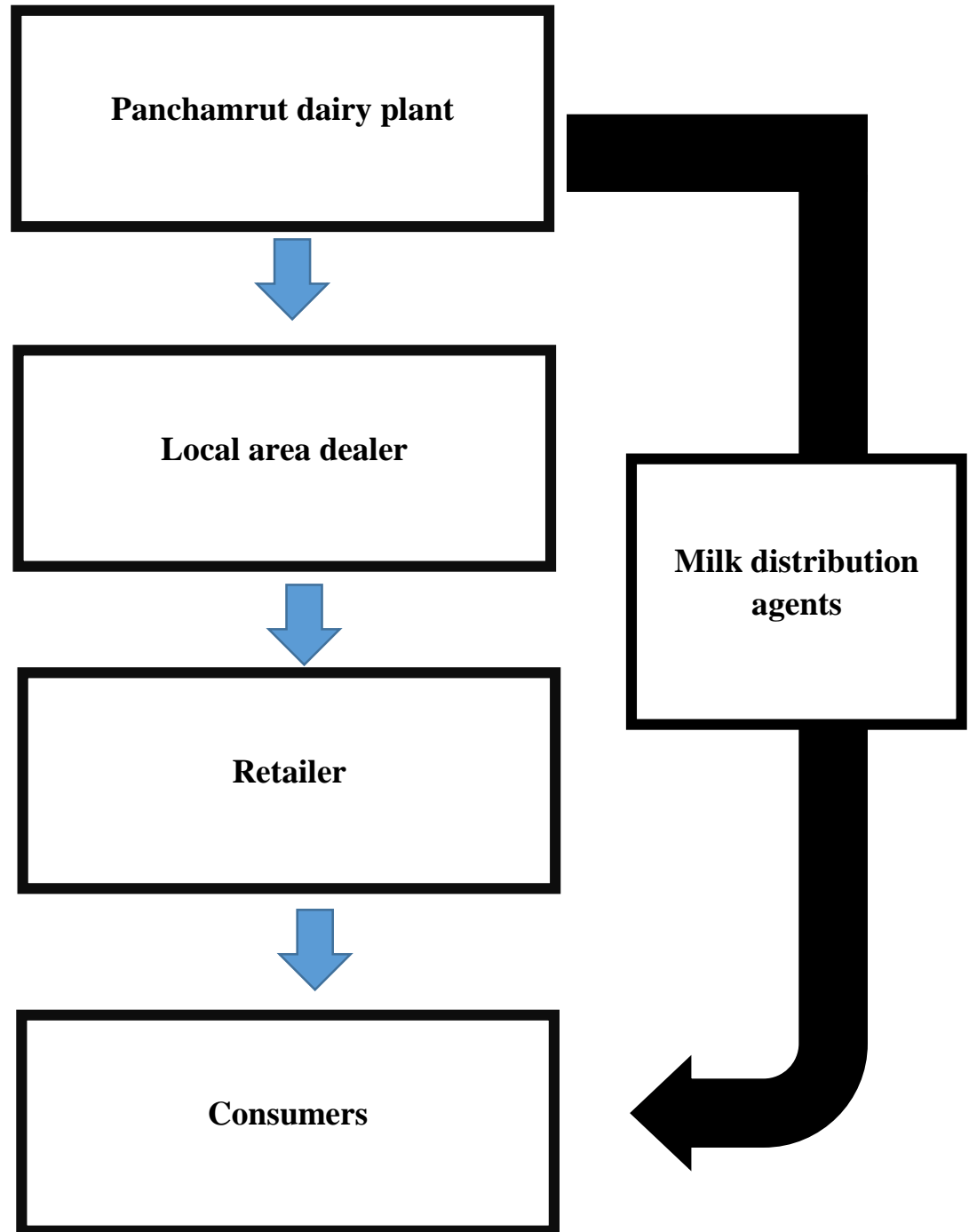


Fig. 1.3 Distribution Network of Panchamrut dairy

1.12 CUSTOMER SATISFACTION

Customer satisfaction is a term frequently used in marketing is a measure of how products and services are supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (rating) exceed specified satisfaction goals. it is very rightly said that;

"The longer you wait, the harder it is to produce outstanding customer services." *William H. Davidow*

The customers are the heart of every industry and dairy industry is not an exception. All the companies are taking care of the customers by taking their feedback by holding surveys and feedback forms. This helps the companies to know the demand and requirement of the customers and they can change the product and services according to the customers demand.

The customer satisfaction has been a buzz word for all the industries these years and almost all the industries are doing jobs related to their customers to earn their loyalty by earning their satisfaction. In the end, the next step of customer satisfaction is 'Consumer Loyalty'.

The production and marketing of dairy food products has caused many concerns, particularly from an increasingly discriminating consumer. Today's consumers are placing increasing importance on food quality, food safety and environmental quality now more than ever.

1.13 STEPS TAKEN UP BY PANCHAMRUT DAIRY TO KNOW PERCEPTIONS AND BOOST UP CUSTOMER SATISFACTION-

1. Customer Centric Milk Marketing System

Milk marketing system is very simple. With best efforts to eliminate cost bearing multitier distribution system. It has appointed milk distribution agents directly under its control at desired place. Milk is distributed to such 275 agents twice a day through hired vehicles.

These distribution agents use the concept of home delivery and deliver milk house to house in morning and evening. Also they sell milk on the designated spot at the vicinity of the consumers.

Agents are appointed after thorough investigation of their profile, area survey, and then after through a comprehensive contract, agency is offered. The fixed amount is also taken as a deposit for security against which the interest is paid. The deposit amount serves as the security fund and is paid back to the agent on completion of his contract with the interest.

2. Marketing Activity

As a part of marketing activity, the dairy is in continuous touch with the market and consumers. Time to Time various activities like new area surveys, consumer's surveys, and customers' complaint redressal are done by specially trained staff to know consumers' expectations, needs and problems.

1.14 MARKET COVERAGE

The dairy has tried and succeeded in covering all most all urban areas within Panchmahal and Dahod districts. Also it has covered areas of nearby districts and neighbouring states of Madhya Pradesh and Rajasthan.

1.15 MARKET SHARE

Panchamrut dairy is market leader in its area of operation as far as sale of products are concerned. The market share is more than 70%. (Annual survey report of Panchamrut dairy 2011) No big competitor exists in the market, which shows the faith of customers in its products and services.

1.16 OBJECTIVES OF THE STUDY

1. To study the purchase behaviour of customers and factors considered by them before purchase of selected dairy products of Panchamrut Dairy.
2. To find out consumers' perceived importance of major known attributes responsible for satisfaction and their performance after use, in Ghee, Butter Milk and Curd of Panchamrut Dairy in study area.
3. To know the problem status, process of complaint redresses adopted by customers and feedback mechanism of Panchamrut Dairy in the study area.

II. LITERATURE REVIEW

Lech Nieurawski (2006); studied on determinants of customer satisfaction on the markets of selected dairy products and summarized that; Purchasers' behaviour on the market is highly differentiated. When choosing a yoghurt the consumer mostly takes into consideration its taste, and next come the brand and the price. The decision to buy is a complex result of multiple factors. However, the price is the decisive factor.

Enterprises should pay a special attention to their buyers. Only the recognition of customers' needs will make it possible to provide them with a product which will fully meet their expectations. The client focuses mostly on the product's attributes. A satisfied purchaser becomes a loyal client who will tell his friends about his positive experience with and his positive opinion of the product. Each consumer is a complex individual. His behaviour depends on a number of factors. His environment and how he is feeling influence his choice and may result in his decision to purchase.

Shahram Gilaninia, Mohmmad Taleghani, Mohammad Reza Khorshidi Talemi (2009); in their study on satisfaction level of customers of RTE food products they concluded that In order to increase customer satisfaction from quality of service, distribution system should make more active the distribution unit and have more monitoring and control and comments in this section. Strong and close relationship of distribution department with department of production and sales can quickly increase the inquest to complaint raised by customers and minimize the number of complaints. Improving the quality of the services provided and transparency to meet the needs and demands of clients by creating

teams to respond and handling customer questions and complaints can reveal the strengths of distribution system. Also it be establishes measurement system of customer satisfaction through the use of constructive feedback and suggestion of customers as a key opportunity, a direct dialogue with customers and surveys them. Customer comments be raised in company and be planned to increase customer satisfaction. Innovation and continuous improvement in service quality provide through identify values, expectations of customers in different locations.

I K.Eswaran (2009); studied on “customer satisfaction towards aavin milk in salem city” he recommended that; the level of advertisement can be increased so that the product can be marketed more in rural areas. More Aavin milk parlour should be included for increasing the sales.

Brand involvement should be improved in the mind of customers. Customers can be motivated to buy the product by giving Value Added Services. Awareness of the product can be increased by giving programmes like road shows for the general public.

Kriti Bardhan Gupta (2009); his study on “Consumer Behaviour for Food Products in India” concluded that cleanliness of the product, free from pesticides, freshness, good for health, and clean place of sale are some of the most important attributes, which are rated very highly by people in India while buying food products. Value for money, overall quality, taste, availability of variety of products at same place, seasonality for the product, flavour, good display of products, nearby availability and good ambience are some other important parameters. Promotional offer does not have much impact on the sale of food products and people did not rate food products from other country very highly for purchase decision.

People rate various parameters differently for different product groups. For highly perishable items such as dairy products, freshness, cleanliness and good for health are the most important parameters but for products like food grains-pulses, cleanliness and free from pesticides are the most important criteria. Based on factor analysis, it appeared that store quality, marketing mix and taste-flavour explained the maximum variance in the purchase decision for fruit and vegetables.

A.Sudhan, Chitra (2010); in their study, they summarized that satisfaction level about the over-all service does not depend on response time or price but depends on the level of satisfaction with quality. It is therefore clear that the customer's perception about service level depends on their perception about quality. It is also seen that satisfaction level with quality depends on the rejection rates experienced by the customers. Therefore the company should make efforts to ensure that the rejection level at the customer end is minimized. This will improve the customer's perception about quality as well as service level. Since the period of response and price levels do not influence perception about service level, it is adequate if the company maintains the present level but concentrate its effort in reducing rejections experienced by the customer.

R. J. Masilamani (2011); concluded that the parameters which make decision regarding the purchase of milk are Price, Quality, Smell , Taste, Advertisement and Awareness. Milk market is a totally unpredictable market and the organisation should be over-cautious of any complaints that come into milk as it includes the sentiments of a mother for her kid and she would not prefer to give anything to her kid for which she is not 100% satisfied. So the company should

take every step possible to contain these problems which in some way or the other affects the sale of Mother Dairy and its retailers.

Arpita Gupta (2011); In study of “Identifying factors behind decreasing market share” she concluded that the parameters which make decision regarding the purchase of milk are Price, Quality, Smell, Taste, Advertisement and Awareness.

So the company should take every step possible to contain these problems which in some way or the other affects the sale of Mother Dairy and its retailers.

Anonymous (2011); studied on consumer satisfaction and awareness towards siddhadhara milk products suggested that;

- Developing the town markets by placing some of the staff for extension work. So that they can make arrangements for people to get milk in their particular place at particular time.
- To make aware the people about overall performance of siddhadhara milk. Company can take necessary steps to enhance more promotional activities like giving ads in newspapers, in local channels and through other media.

D. Ashok, Abhay Prakash Sriwastwa (2012); in their study on the usage pattern and the reasons behind low sensitivity of packaged dairy products; they concluded that; Factors influencing the purchasing pattern of the branded dairy products: Among the factors given, most of the respondents had showed their priority towards the “availability” of the packaged dairy products, the “freshness” of the packaged product and the “shelf life” of the product as their first, second and third choices respectively. The “taste” of the product and the “advertisement” given by manufactures had showed fourth and fifth choice respectively.

It is significant from the result that dairy producers have to work on better distribution system for maintaining the “freshness” of the products and in turn achieve the greater shelf life. Further, in order to differentiate their product among the competitors, dairy producers could work on different flavours, and they should offer different ranges of tastes to the consumers. Besides everything, it should also improve the product awareness of customers through various media choices for better reach ability in the form of advertisements and promotional offers.

III. RESEARCH METHODOLOGY

3.1 Background of study:-

The project entitled “**A study on consumer satisfaction of Panchamrut dairy products in Panchmahal district of Gujarat state**” was started from 1st February 2014. The objectives of the study were to study the purchase pattern adopted by customers and factors influencing purchase in study area, also to find out criticality of some major attributes responsible for satisfactory performance and overall performance of Buttermilk, Ghee and Curd in study area. Also to find out the efficiency of feedback mechanism adopted by dairy in the study area.

3.2 Sources of Data:-

Primary as well as secondary data were collected to meet the objective of the study

Primary Data

Primary data was collected with the help of personal interviews and structured questionnaire.

Secondary Data

Secondary data was collected from different journals, review papers and websites.

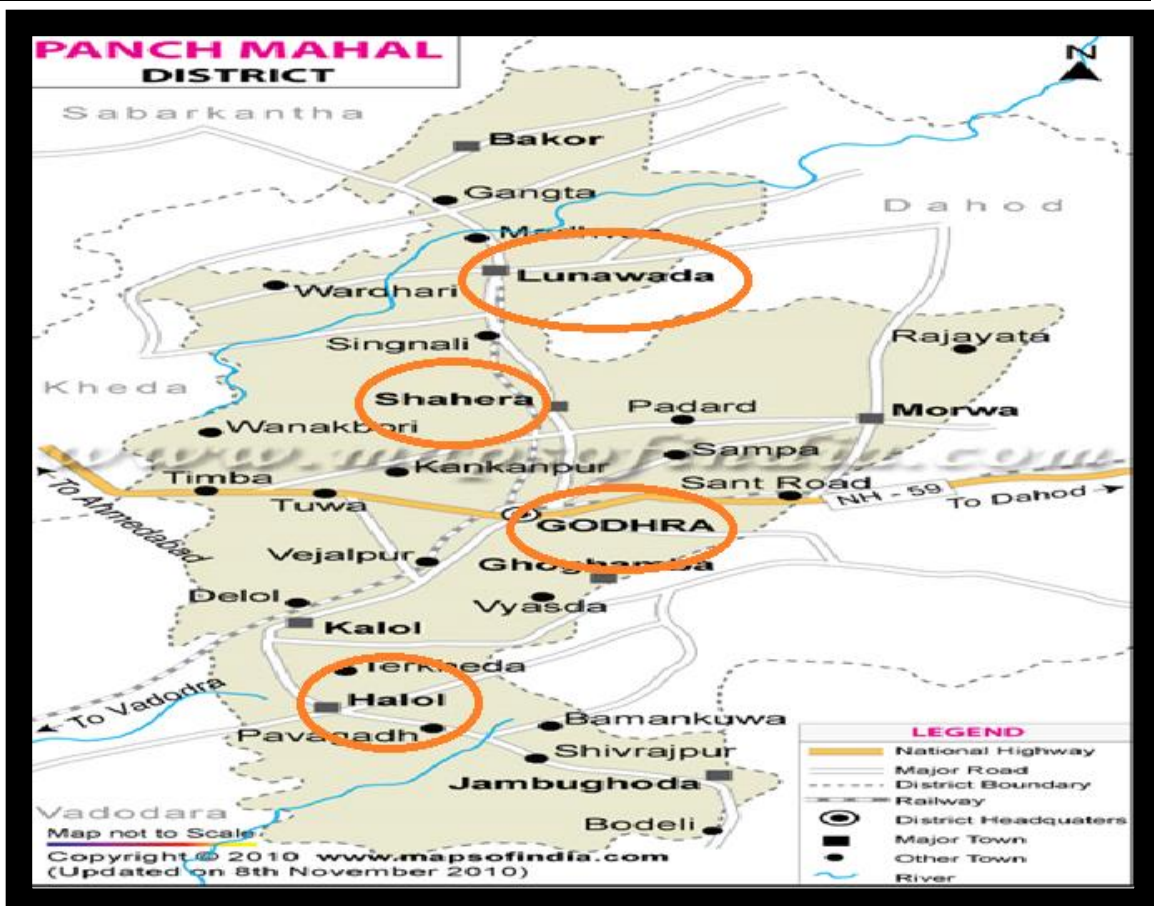
3.3 Research Design:- Descriptive Research

This part describes the methods and procedures used for collection and analysis of data in the study. The specific methodology adopted for the selection of different units and other details are given below

Survey approach- Sample survey

- **Sampling Method:-** Non Probability
- **Sampling Technique:-** Purposive sampling technique
- **Sample unit:-** Household who have purchased any one product among Buttermilk, Curd or Ghee of Panchamrut dairy
- **Sample Size:-** 200
- **Sampling Area:-** Selected cities of Panchmahal district

Name of city	No. of respondents
Godhara	50
Sahera	50
Lunawada	50
Halol	50
Total	200



Research Instrument:-Considering to the nature of study as well as for the obtaining correct information from the respondents, it has been decided to collect information through structured questionnaire prepared with the help of available related literature and research reports.

Analytical tools:-Mainly tabular analysis, graphical presentation and statistical tools were used to achieve the objective of the study.

3.4 Limitations of the study

- Respondents may give biased or false information than the actual data.
- Analysis is purely based on the responses of the respondents.

IV. RESULTS ANALYSIS AND DISCUSSION

4.1 Basic information about consumers

Sampling Area

Table 4.1.1 Area of respondents

Area	No. of respondents	Percentage (%)
Godhara	50	25
Sahera	50	25
Lunawada	50	25
Halol	50	25
Total	200	200

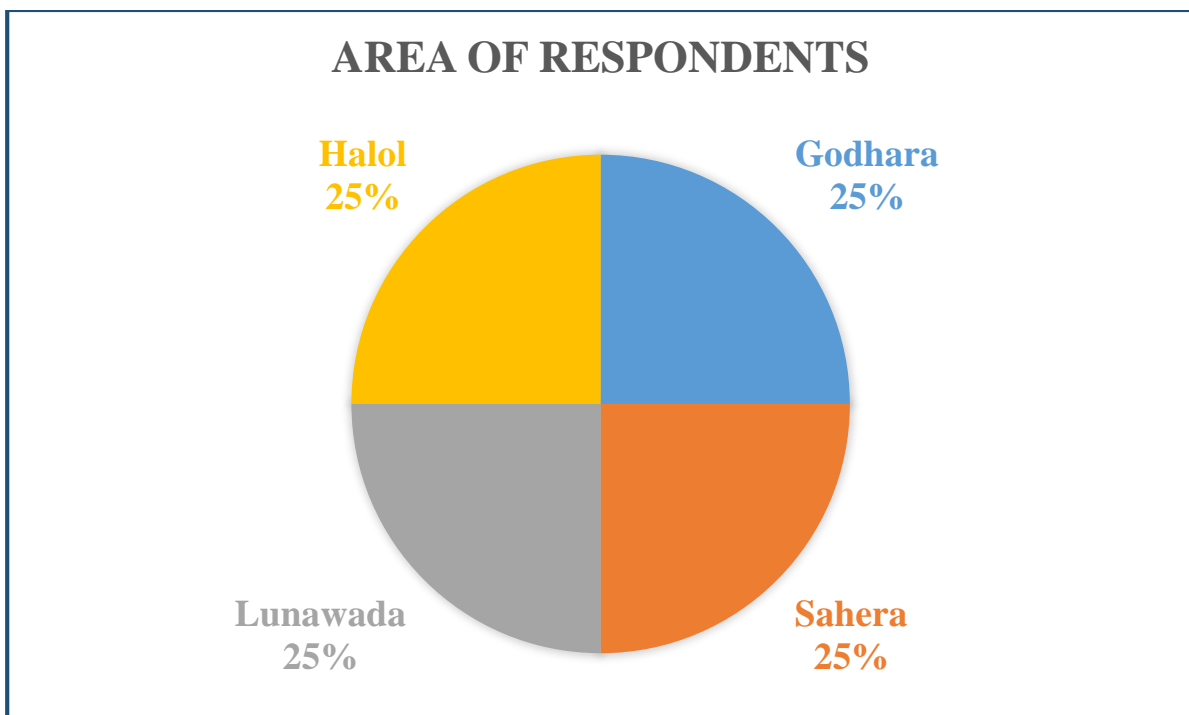


Fig. 4.1.1 Area of respondents

All four cities were selected as area of study after the discussion with the industrial advisors as they wanted to open to new outlets in the above mentioned areas.

Table 4.1.2 Age of the respondents

Age (Years)	Frequency	Percentage (%)
Below 25	14	7.0
26-40	146	73.0
41-55	40	20.0
Total	200	100.0

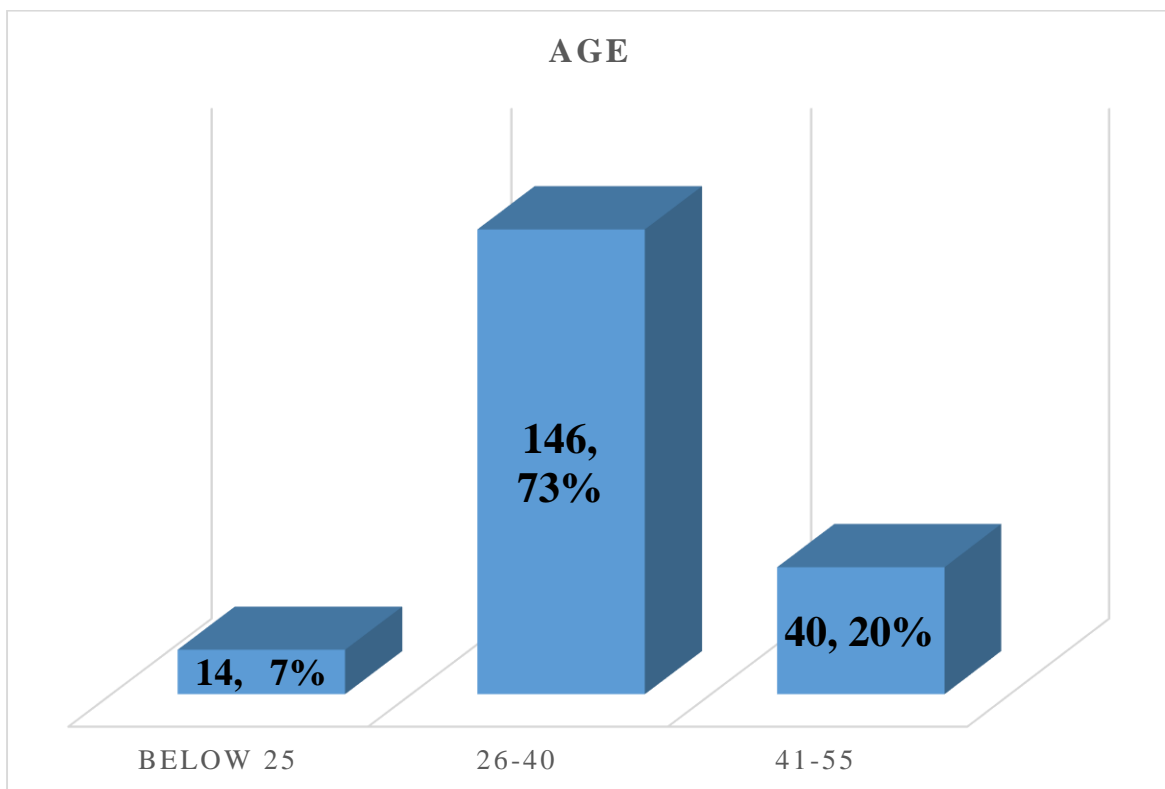


Fig. 4.1.2 Age of respondents

By taking into account the above graph, it is clearly visible that most of respondents belong to middle age category i.e. 26 -40 years old as almost 73% of respondents fall into this age group. Also 20% of respondents belonged to age class of 41- 55 years old. Very few respondents were having age between 18 -25 years.

In age group of 26 -40 years the maximum respondents fall between 28 to 38 years. And in age group of 41 – 55 years most respondents were having age of 40 – 48 years.

Table 4.1.3 Gender of respondents

Gender	Frequency	Percentage (%)
Male	87	43.5
Female	113	56.5
Total	200	100

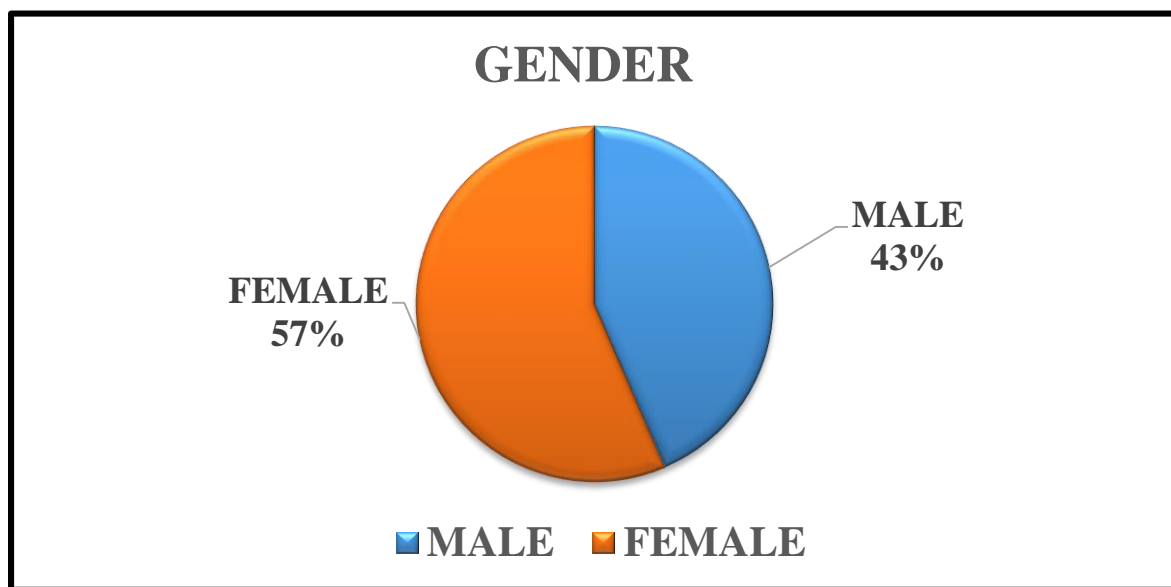


Fig. 4.1.3 Gender composition

Considering the gender composition of respondents the female respondents have dominated in numbers, as sampling unit of the survey was household, though male respondents were also given prominence as they have the decision making authority for the purchase of dairy products. Females are happened to be at right place at right time during household survey so they have comparative larger share.

Table 4.1.4. Education level

Education level	Frequency	Percentage (%)
12 and below	106	53.0
Graduate	79	39.5
Post Graduate	6	3.0
Diploma ITI	9	4.5
Total	200	100.0

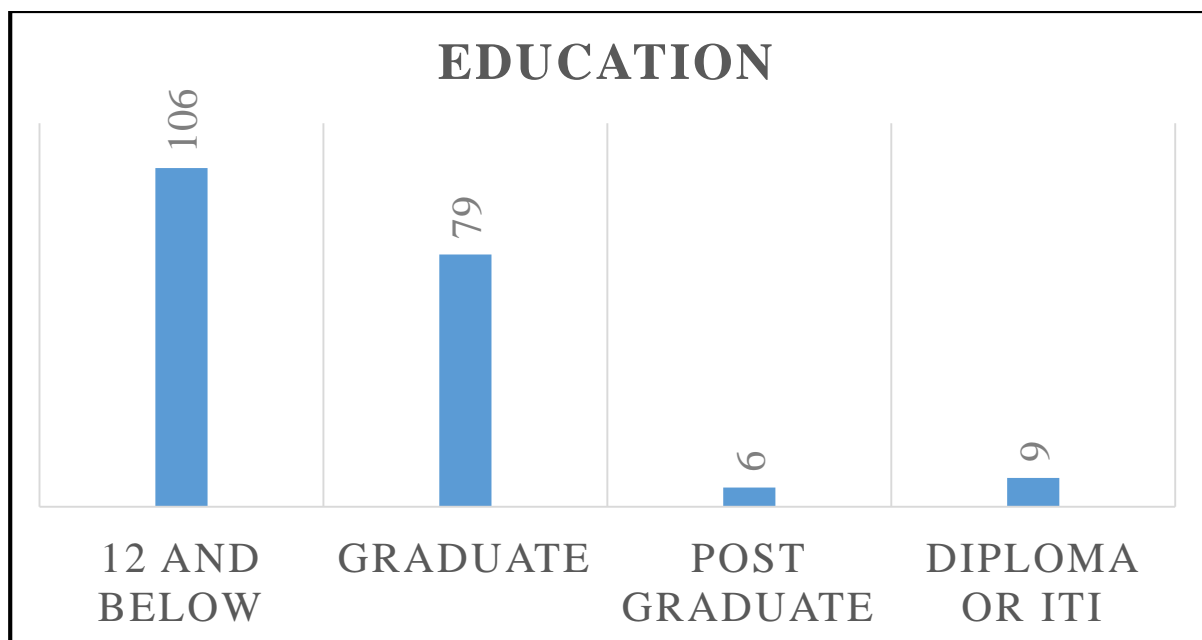


Fig. 4.1.4 Education

Above figure 4.1.4 reveals that 63% of the respondents were having education of 12th or it's below though satisfactory amount of respondents were having Graduate level education (39.5%). Very few respondents hold the Post Graduate (3%) and Diploma or ITI (9%).

Table 4.1.5 Occupation of respondents

Occupation	Frequency	Percentage (%)
Businessman	47	23.5
Government employee	32	16.0
Service in private sector	34	17.0
Housewife	87	43.5
Other	10	5.0
Total	200	100.0

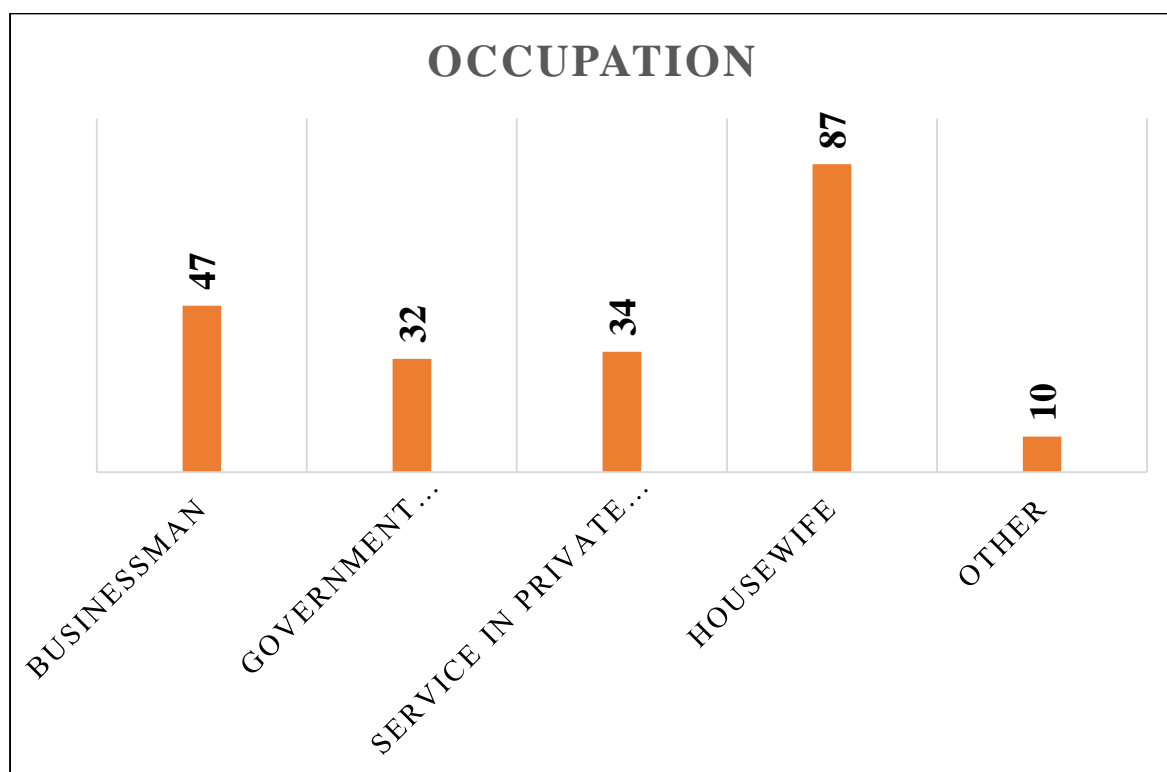


Fig. 4.1.5 Occupation of respondents

The housewives dominated in respondents as almost 44% part is taken by them followed by businessmen, service private jobs and government employee with 24%, 17% and 16% share respectively. The other category with 5% of respondents consists mainly persons engaged in agricultural activities.

Table 4.1.6 Annual income of respondents

Annual income (₹)	Frequency	Percentage (%)
Up to 99999	3	1.0
100000-199999	94	47.0
200000-299999	69	35.0
300000-399999	28	14.0
400000 above	6	3.0
Total	200	100.0

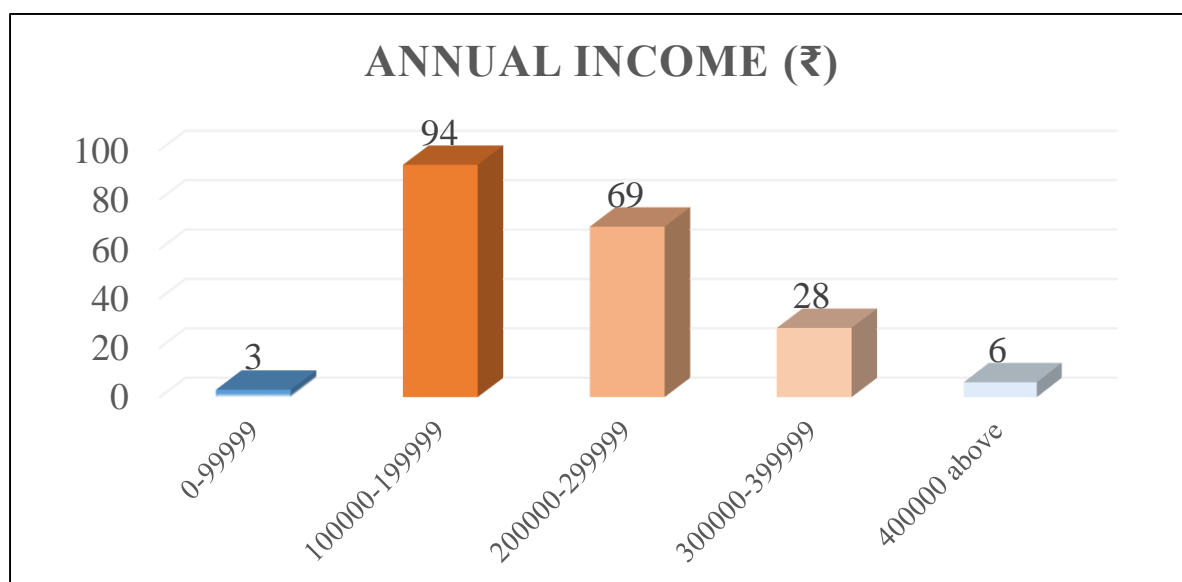


Fig. 4.1.6 Annual income of respondents

From the Table 4.1.6, it can be seen that Out of 200 respondents 47 per cent of respondents were having annual income between 1-2 lakhs, about 35% of respondents had annual income between 2- 3 lakhs, 14% of respondents had annual income between 3- 4 lakhs, 3% of respondents had annual income above 4 lakhs and only 1% of respondents are having income up to 99999. The above information indicates that most of the respondents are having income between 1- 3 lakhs.

4.2 Purchase behaviour of respondents

Table 4.2.1 Purchased products of Panchamrut dairy

Product	Yes	Percentage (%)	No	Percentage (%)	Total
Buttermilk	167	83.5	33	16.5	200
Ghee	126	63.0	74	37.0	200
Curd	124	62.0	76	38.0	200

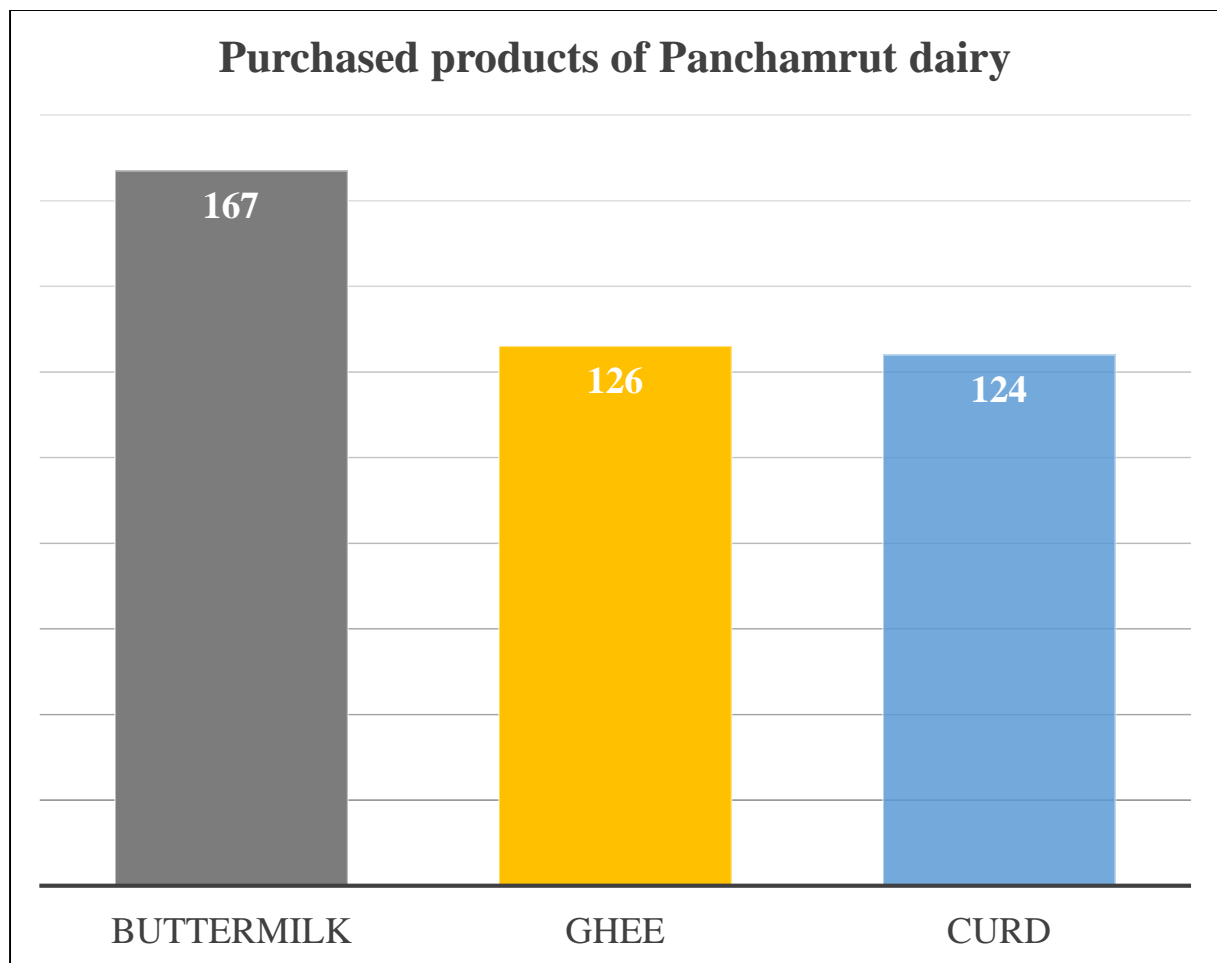


Fig. 4.2.1 Purchased products of Panchamrut dairy

The Figure 4.2.1 shows that out of 200 respondents maximum have purchased Buttermilk (83.5%) also Ghee (63%) and Curd (62%). Because the type of sampling technique used in survey was purposive sampling and respondents were selected if they have purchased any of the above mentioned items of Panchamrut dairy twice in last 90 days.

Table 4.2.2 Purchase frequency of Buttermilk

Frequency	No. of respondents	Percentage (%)
Daily	6	4.0
Once in two days	3	2.0
Twice in week	68	41.0
Once in week	24	14.0
Fortnightly	59	35.0
Rarely (>30 days)	7	4.0
Total	167	100

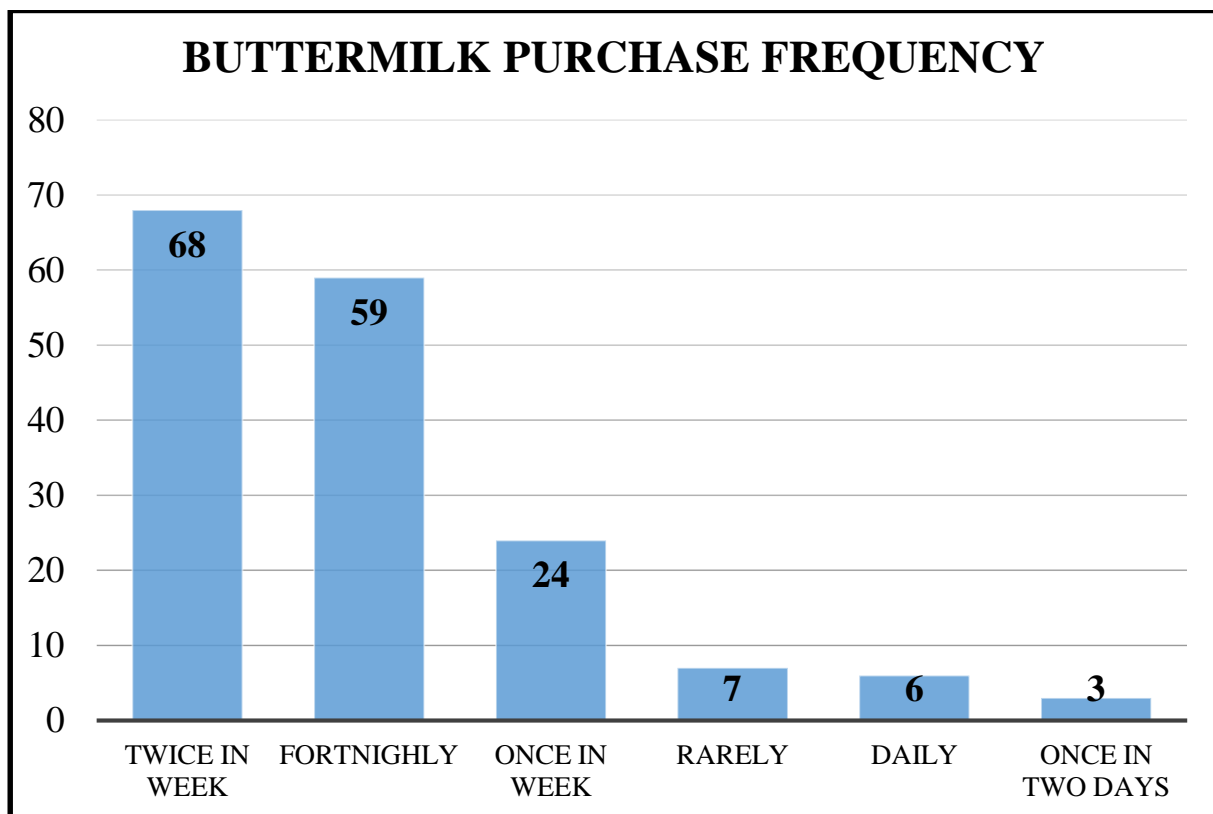


Fig. 4.2.2 Buttermilk purchase frequency

Above table 4.2.2 indicates that majority of respondents 41 per cent had visited the store twice in a week to purchase Buttermilk. Also large no. of respondents

(35 per cent) told that they are purchasing Buttermilk at fortnight interval followed by once in a week (14 per cent).

Very few respondents were purchasing Buttermilk in the interval of more than 30 days (rarely). Also daily purchaser were also less in the respondents.

Table 4.2.3 Purchase frequency of Ghee

Frequency	No. of respondents	Percentage (%)
Once in week	22	18.0
Fortnightly	51	40.0
Rarely (>30 days)	53	42.0
Total	126	100

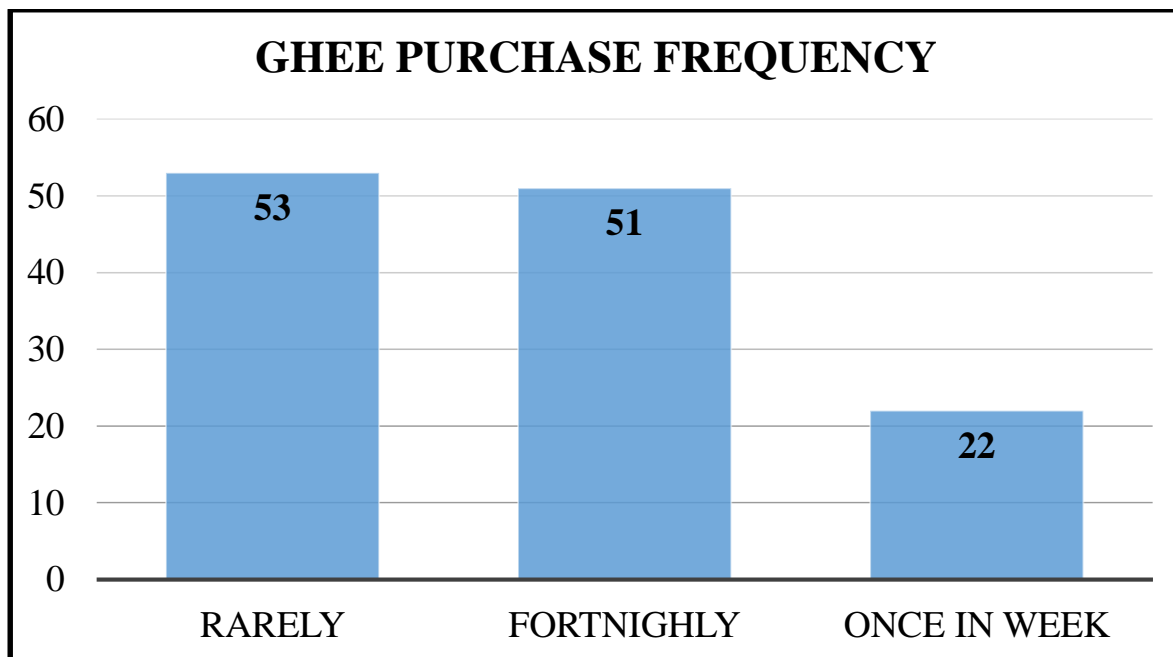


Fig. 4.2.3 Ghee purchase frequency

Above figure 4.2.3 indicates that maximum no. of respondents (42%) had visited the store in more than 30 days intervals to purchase Ghee. Also large no. of

respondents (40%) had visited store fortnightly followed by once in a week (18%).

Table 4.2.4 Purchase frequency of Curd

Frequency	No. of respondents	Percentage (%)
Once in two days	9	7.0
Twice in week	15	12.0
Once in week	24	19.0
Fortnightly	39	32.0
Rarely (>30 days)	37	30.0
Total	124	100

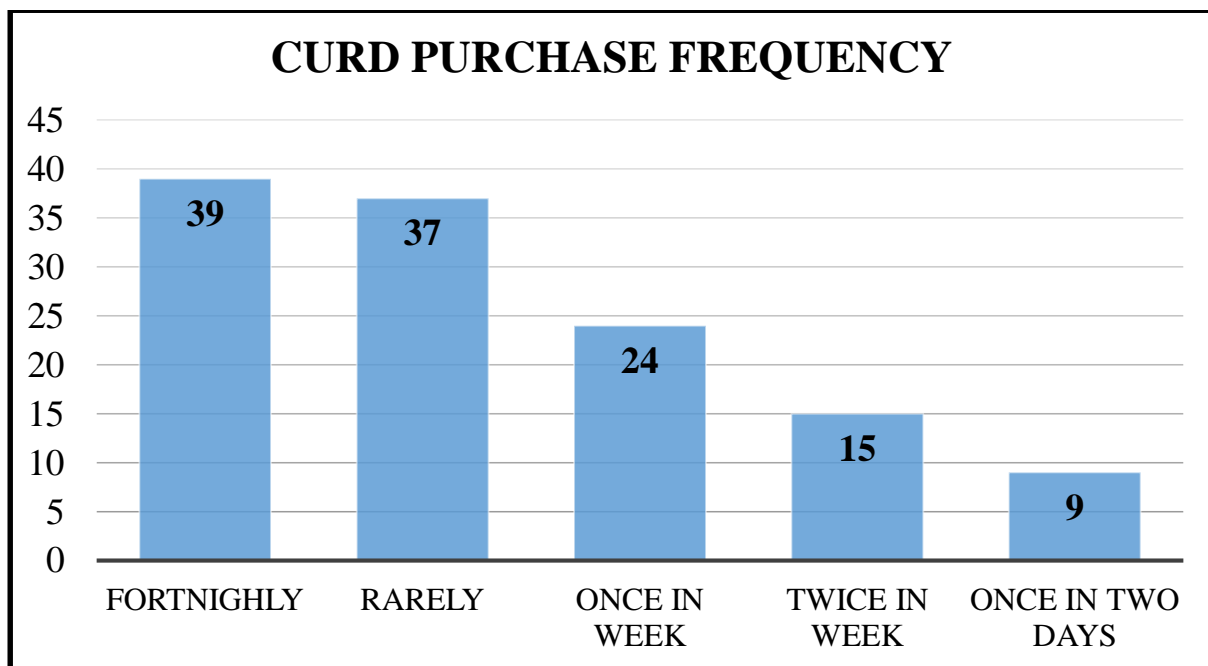


Fig. 4.2.4 Curd purchase frequency

The above figure 4.2.4 indicates that majority of respondents had visited the store fortnightly to purchase Curd (32%). Also large no. of respondents had frequency of once in >30 days (30%) followed by once in a week (19%). Very few

respondents were purchasing Curd twice in a week. Once in two days purchaser were also less in the respondents.

The main reason mentioned by the respondents of lower frequency was the unavailability at closer premises and preparation of Curd at home. Out of 200 respondents 62 per cent of respondents have purchased Curd of Panchamrut dairy.

Table 4.2.5 Point of purchase of dairy products

Point of purchase	Frequency	Percentage (%)
Dairy outlets	59	29.5
Organised retailers	76	38.0
Road side retailers (unorganised)	65	32.5
Total	200	100.0

More no. of respondents purchased their dairy products from organised retailers (38%) followed by unorganised retailers (32%) and from dairy outlets (30%).

From the above Table 4.2.8 it is revealed that majority of respondents prefer to buy Panchamrut dairy products from organised retailers.

Table 4.2.6 Importance of factors before purchase of Dairy products

Particulars	Price	Taste	Timeliness	Quality	Brand
Frequency	200	200	200	200	200
Weighted Average Mean	2.76	3.71	3.62	3.85	3.12
Rank	5	2	3	1	4

Above table 4.2.6 is based on findings in which Respondents were asked to rate five major known factors i.e. Price, Taste, Quality, Timeliness and Brand, as per importance given by them before purchase of dairy products. And the findings is giving the projection that quality and taste are two most important factors considered by respondents and got the weighted mean of 3.85 and 3.71 respectively, out of five. Both are closely followed by timeliness (available at right time) with the weighted mean of 3.62 and brand with 3.12 score out of 5. For overall dairy products respondents have considered price as least important factor among all major factor gave it mean score of 2.62 out of 5.

Table 4.2.6 is indicating that if a customer is going for purchase then he/ she will consider quality first, taste at second, timeliness at third, brand at fourth and price at last among five factors.

4.3 Perceived attributes importance

Table 4.3.1 Attributes considered by respondents for satisfactory performance

Particulars	Taste	Availability	Nutritious value	Thickness	Packaging	Smell	Texture
Frequency	200	200	200	200	200	200	200
Weighted Average Mean	4.83	4.77	4.55	2.54	2.41	1.82	0.25
Rank	1	2	3	4	5	6	7

Above Table 4.3.1 is based on responses of respondents, who were asked to rank 7 major attributes viz. Taste, Availability, Nutritious value, Thickness, Packaging, Smell and Texture of dairy products and by the answers one may recognise that taste has got maximum weighted mean of 4.835 out of 7 and ranked first by respondents, followed by availability at second which got 4.770, nutritious value at third with 4.555 mean score.

Table 4.3.2 Buttermilk attribute performance

Particulars	Taste	Thickness	Smell	Availability	Packaging	Texture	Nutritious value
Frequency	167	167	167	167	167	167	167
Weighted Average Mean	3.89	3.73	3.68	3.12	3.61	3.50	3.54
Rank	1	2	3	7	4	6	5

Above table 4.3.2 shows the average rating of each factor for their satisfactory performance, rated by the respondents who have purchased Buttermilk and were asked to rate it's all attributes i.e. Taste, Thickness, Smell, Availability, Packaging, Texture and Nutritious value.

The findings are indicating that if all attributes are ranked on the basis of average weight given by respondents to their performances then taste is ranked first with mean weight of 3.89, followed by thickness at second with 3.73 mean, smell at third with 3.68 mean, packaging at fourth with 3.61, nutritious value at fifth with 3.54 mean texture at sixth with 3.50 mean score and availability comes at last position with 3.12 mean rating out of 5.

Table 4.3.2 findings are revealing that almost all attributes of Buttermilk are performing in between average to satisfactory category but availability is most poor performing attribute among all.

Table 4.3.3 Ghee attribute performance

Particulars	Taste	Thickness	Availabilit y	Smell	Packaging	Texture	Nutritious value
Frequency	126	126	126	126	126	126	126
Weighted Average Mean	3.97	3.82	3.79	3.74	3.68	3.78	3.76
Rank	1	2	3	6	7	4	5

Above table 4.3.3 shows the average rating of each factor, rated by the respondents who have purchased Ghee and were asked to rate it's all attributes i.e. Taste, Thickness, Smell, Availability, Packaging, Texture and Nutritious value.

The findings are indicating that if all attributes are ranked on the basis of average weight given by respondents to their performances then taste is ranked first with mean weight of 3.97, followed by thickness at second with 3.82 mean, availability at third with 3.79, texture at fourth with 3.78, nutritious value at fifth with 3.76, smell at sixth with 3.74 and packaging comes at last with 3.68 mean score out of five.

Table 4.3.3 findings are revealing that almost all attributes of Ghee are performing in between average to satisfactory category and taste is best performing attribute which got satisfactory rating from majority of respondents.

Table 4.3.4 Curd attribute performance

Particulars	Taste	Thickness	Smell	Availability	Packaging	Texture	Nutritious value
Frequency	124	124	124	124	124	124	124
Weighted Average Mean	3.75	3.74	3.72	3.62	3.71	3.45	3.54
Rank	1	2	3	5	4	7	6

Above table 4.3.4 shows the average rating of each factor, rated by the respondents who have purchased Curd and were asked to rate it's all attributes i.e. Taste, Thickness, Smell, Availability, Packaging, Texture and Nutritious value.

The findings indicates that if all attributes are ranked on the basis of average weight given by respondents to their performances then taste is ranked first with mean weight of 3.75, followed by thickness at second with 3.74 mean, smell at third with 3.72 mean, packaging at fourth with 3.71 mean, availability at fifth with 3.62 mean, nutritious value at sixth with 3.54 mean and texture comes at seventh position with mean weight of 3.45 out of 5.

From the table 4.3.4 it can be concluded that in Curd almost all attributes are performing above average.

4.4 Problems Redresser and Feedback Mechanism

Table 4.4.1 Problem count

Problem found	Frequency	Percentage (%)
Yes	22	11.0
No	178	89.0
Total	200	100.0

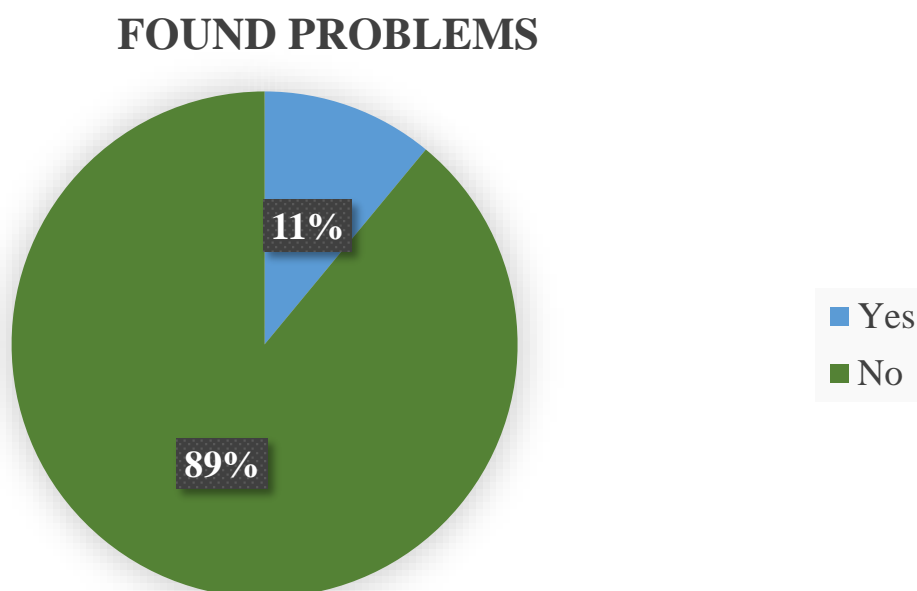


Fig. 4.4.1 Found problem in any products

The above table 4.4.1 indicates that majority of respondents (89%) had no problems with the Buttermilk, Ghee and Curd of Panchamrut dairy. About 11% respondents told that they had the problem with the Buttermilk, Ghee and Curd of Panchamrut dairy.

Table 4.4.2 Problematic product

Product	Frequency	Percentage (%)
Buttermilk	9	41.0
Ghee	13	59.0
Total	22	100.0

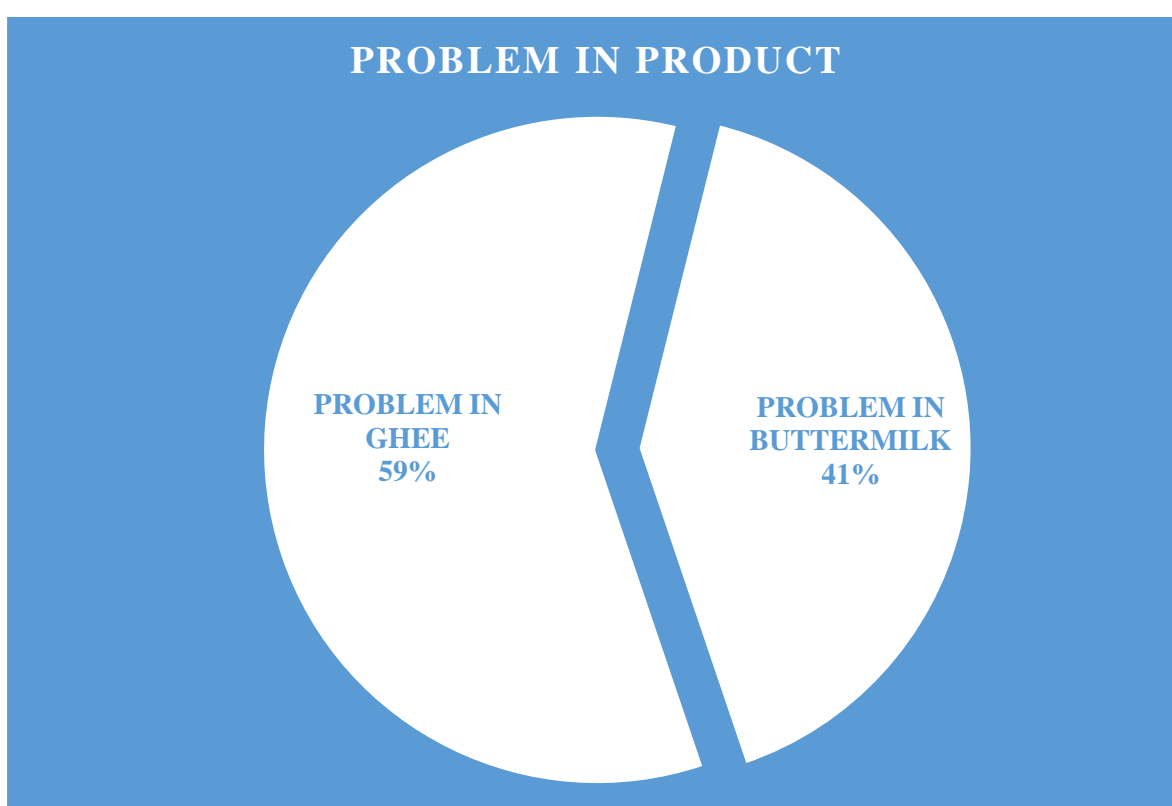


Fig. 4.4.2 Problem with product

Table 4.4.2 indicates that among 22 respondents who are having problem with the products of Panchamrut dairy, 59% told that they had problem in Ghee and rest 415 told that they had problem in Buttermilk.

Table 4.4.3 Problem causing factor of Buttermilk

Factor	Frequency	Percentage (%)
Availability	6	67.0
Other	3	33.0
Total	9	100.0

PROBLEMATIC FACTORS IN BUTTERMILK

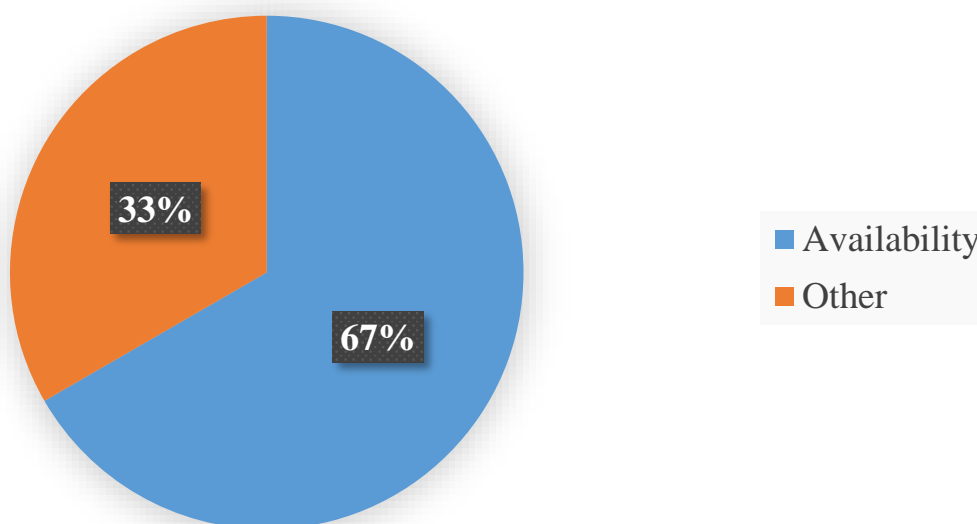


Fig. 4.4.3 Problem causing factor of Buttermilk

Table 4.4.3 indicates that majority of respondents complained that availability sometime creates problems as 67% told that no availability or less availability was the issue also 33% of respondents complained of other problems such as sour taste and poor quality products.

Table 4.4.4 Problem causing factor in Ghee

Factor	Frequency	Percentage (%)
Price	3	23.0
Availability	10	77.0
Total	13	100

PROBLEMATIC FACTORS IN GHEE

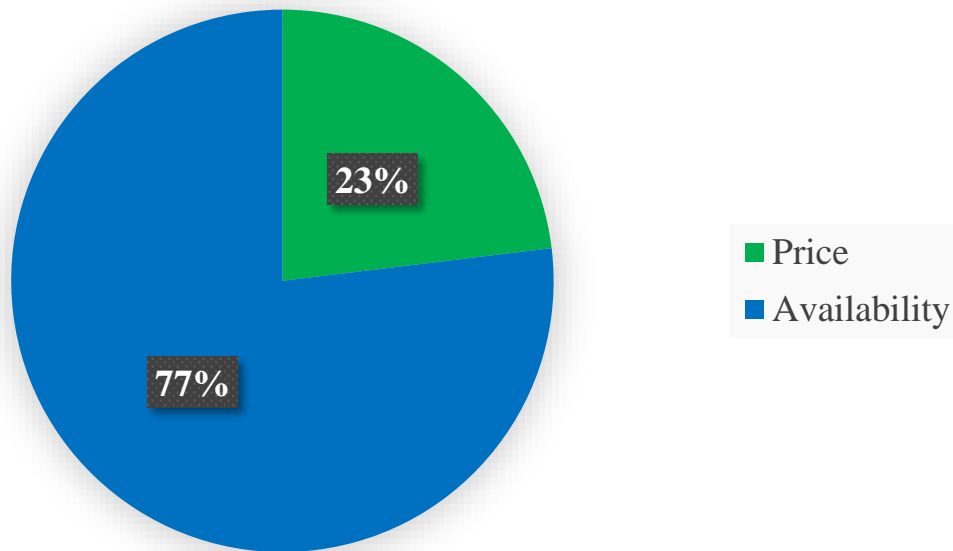


Fig. 4.4.4 Problem causing factor in Ghee

Table 4.4.4 shows that in Ghee also respondents complained that availability sometime creates problems as 77% told that no availability or less availability of desired pack size was the issue also 23% of respondents complained of high prices of large packs.

4.4.5 Problem conveyed

Complaint redresses	Frequency	Percentage (%)
Faced problems	22	100
conveyed	12	55.0
Not conveyed	10	45.0

PROBLEM CONVEYED

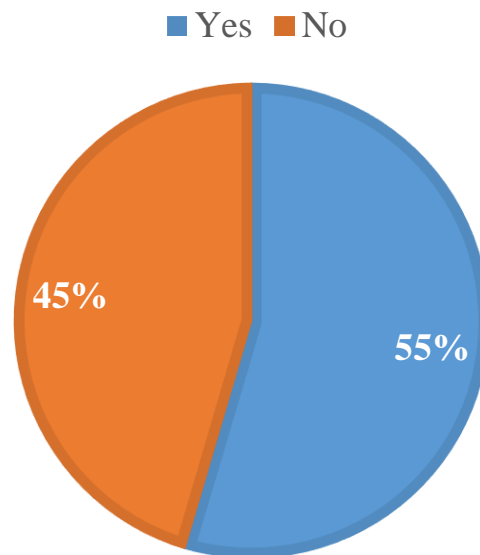


Fig. 4.4.5. Complained of problem

Table 4.4.5 shows that respondents who have problems with products. 55% of them told they tried to convey it to responsible authority and 45% told they did not complaint of their problem to anyone.

Also they were asked to whom they have contacted to solve their problems; all, have contacted to retailer from where they purchased that product.

Table 4.4.6 Feedback from Panchamrut dairy

Feedback taken	Frequency	Percentage (%)
Yes	29	14.5
No	171	85.5
Total	200	100

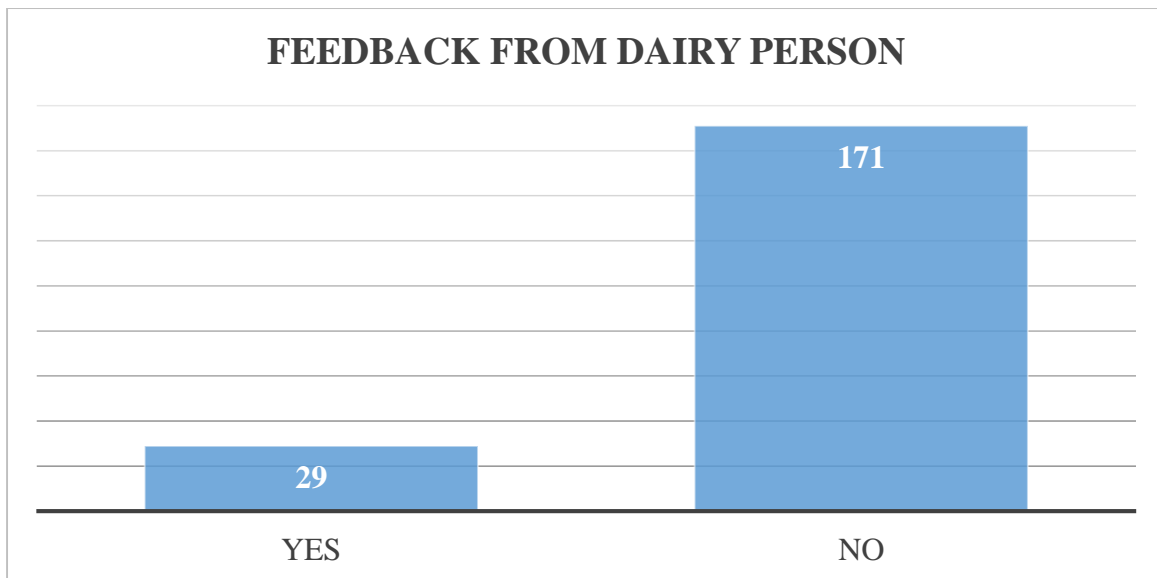


Fig 4.4.6 Feedback from dairy

Above table 4.4.6 indicates that majority of respondents told that there are no feedback taken by the Panchamrut dairy person (85%), 15% told that that yes the persons from dairy contacted at least once.

Also they were asked of frequency of feedback; all 100% respondents told the feedback from dairy was very rare in infrequent.

V. SUMMARY AND CONCLUSION

5.1 Summary

The project entitled Study of customers' satisfaction of Panchamrut dairy products in Panchmahal district of Gujarat state was carried out to know the customers' feedback for selected products of Panchamrut dairy i.e. Buttermilk, Ghee and Curd. From their feedback it may be summarized that almost all products for which the customers asked to respond have performed in between average to satisfactory if overall performance is concerned.

Mention the responses of customers it is revealed that maximum purchase of Panchamrut dairy product is taking place through retail outlets than dairy outlets. If individual goes for purchase of dairy products he give importance to some major factors before purchase viz. quality, taste, timeliness, brand and price. In which respondents gave maximum emphasis on quality then taste followed by timeliness, brand and price was considered least among all five parameters.

Also respondents were asked to rank individual attributes of dairy products which may considered as critical for satisfactory results and from their opinions it may be summarize that taste is emerged as most critical attribute among all seven. Taste is followed by availability, nutritious value, thickness, packaging, smell and texture. After the mean score of 200 respondents was calculated and taste has got maximum weight.

Customers also rated overall products in scale of 1 to 5 and after calculating their mean score and findings suggested that the all products fall under category between average to satisfactory and all attributes have performed average.

Mostly respondents who have found problems in products were related to Ghee and Buttermilk and the major problematic attribute were availability and price.

Almost 55% of respondents who have found problem, complained for the same to retailers from whom they have purchased that products. Feedback form dairy is also found rare and infrequent.

5.2 Conclusion

Frequency of purchase

For Buttermilk, majority of respondents had frequency of twice in week, in Ghee more than 30 days was major response and in curd maximum fortnightly frequency was observed.

Point of purchase of dairy products

Respondents have purchased products mainly from organized retailers then unorganized retailers then dairy outlets of Panchamrut dairy. Some people opined that availability and convenience in nearness is important for them to choose point of purchase.

Consideration For factors before purchase of dairy products -

In comparison of major factors that individual considers before purchase; by rating, quality has got maximum mean score of 3.85, taste got second preference, followed by timeliness, brand and price. From table 4.2.6 it may be concluded that dairy products should focus more on quality of products and taste should be given importance.

Perceived critical attributes for satisfactory performance

From the table 4.3.1 it may be concluded that taste is most critical factor desirable to respondents after ranking of all seven attributes. Taste has got maximum weightage among all followed by availability, nutritious value, thickness, packaging, smell and texture.

Ratings of attributes after use of selected dairy products of Panchamrut dairy-

All attributes of Buttermilk are performing above average, taste (weighted mean of 3.89) was best and availability (3.12) was poor performing attribute among all. All attributes of Ghee are performing above average and taste (weighted mean of 3.97) was best performing attribute and smell (3.68) was poor performing attribute.

In Curd almost all attributes are performing above average, taste (weighted mean of 3.75) was found to be best performing attribute and texture (mean weight of 3.45) was poor performing attribute.

Problems and feedback

Almost 90% respondents had no issue with the products. While about 10% respondents told that they somewhere had the problem with the products.

Respondents who had the problem, 59% told that they had problem in Ghee and rest told that they had issue in Buttermilk. Respondents complained that availability sometime creates problems as 67% told that no availability or less availability was the issue also 33% of respondents complained of poor taste and low quality products.

In Ghee also respondents complained that availability sometime creates problems as 77% told that no availability or less availability was the issue also 23% of respondents complained of high prices.

Who have problems with products, 55% of them told they tried to convey it to responsible authority and 45% told they did not convey their problem to anyone. Also they were asked to whom they have contacted to solve their problems; all, have contacted to retailer from where they purchased that product.

There were very few respondents (15%) told that yes the persons from dairy contacted at least once. And 85% told that there is no feedback from dairy.

Also they were asked of frequency of feedback; all 100% respondents told the feedback from dairy was very rare and infrequent.

From above information it may conclude that feedback mechanism has not reached to all of its customers and frequency of feedback is also low.

In order to overcome from this the feedback mechanism should reach deep and in frequent manner.

5.3 Recommendations

After the analysis of customers' responses and identifying the areas for improvements following points for Panchamrut dairy to be take care of, are-

- Focus should be given more on quality and taste of products
- Consistent availability of all products should be made.
- In Ghee smaller pack sizes should be introduced to attract more no of customers.
- Problems redresses should be make quick and efficient.
- Regular feedback from customers should be taken.

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ANNEXURE

A study on consumer satisfaction of Panchamrut dairy products in Panchmahal district of Gujarat state

1. Name: _____ 2. Age: _____
 3. Address: _____ 4. Annual income: _____
 5. Gender: (a) Male (b) Female
 6. Education: _____ 7. Occupation: _____
 8. Which Products of Panchamrut Dairy do you purchase?

Sr. no.	Products	yes	no
1	Butter milk		
2	Ghee		
3	Curd		

9. What are the factors you consider before buying? (1 to 5, where 5 indicates highest importance and 1 for least important)

Price Taste Timely availability Quality Brand

10. Point of purchase for Panchamrut Dairy products?

Dairy outlets	Full time retailers	road side retailers	Other-----
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11. What is your frequency of purchase of Panchamrut Dairy products

Products	Daily	Once in Two Days	Twice in week	Once in week	Fortnightly	Rarely
Butter milk						
Ghee						
Curd						

12. Rate the performance of following products of Panchamrut Dairy.

5-Delight, 4-Satisfactory 3- Average, 2- Poor, 1- Very Poor

Products	Delight (5)	Satisfactory (4)	Average (3)	Poor (2)	Very Poor (1)
Milk					
Butter Milk					
Ghee					
Curd					

19. Were those problems satisfactorily resolved by company?

- a. Yes
- b. No

20. Have you ever been contacted by dairy feedback agent?

- a. Yes
- b. No

21. If yes then what is the frequency of such visit?

- a. Less than 7 days
- b. 7 – 15 days
- c. Between 15 - 30 days
- d. More than 30 days
- e. Very rare