

A study of Marketing Mix and Market Competitiveness of Aavin Products in Salem District:

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Introduction

The dairy industry in India is experiencing significant growth, fueled by rising disposable incomes and a growing urban population. Tamil Nadu is a major contributor to this growth, with Aavin playing a dominant role as a supplier of a wide variety of milk and milk products. However, Aavin faces increasing competition from private dairies and local vendors in the state. This study explores how Aavin leverages its marketing mix strategies to maintain its market competitiveness within Salem district.

The Indian Dairy Industry:

The Indian dairy industry is one of the largest in the world, boasting the world's highest milk production <https://www.ibef.org/>. This growth is attributed to factors like rising disposable incomes, increasing urbanization, and a growing awareness of the health benefits of dairy products.

Aavin's Prominence in Tamil Nadu:

Aavin, the Tamil Nadu Cooperative Milk Producers' Federation, is a leading dairy brand in the state. Established in 1960, Aavin procures milk from over 8.5 lakh farmers across Tamil Nadu and offers a diverse range of milk and milk products like pasteurized milk, curd, ghee, paneer, and ice cream <https://aavin.tn.gov.in/>. Aavin is known for its quality products, fair prices to farmers, and commitment to cooperative principles.

Salem Market Significance:

Salem district, located in Tamil Nadu, is a significant market for Aavin products. The district's growing population and rising urbanization present a promising opportunity for Aavin's dairy products. Understanding consumer preferences and tailoring marketing strategies for the Salem market is crucial for Aavin's sustained success.

Industry Profile;

Salem Aavin: A Local Powerhouse within the Tamil Nadu Dairy Industry

Salem Aavin, a branch of the Tamil Nadu Cooperative Milk Producers' Federation Limited (TNCMPFL), is a key player in the Salem district's dairy industry. Here's a breakdown of its profile

Production and Processing:

Established: Information on the specific establishment year of Salem Aavin might be available on the Aavin website or through local news archives. However, we know TNCMPFL was founded in 1960 [<https://aavin.tn.gov.in/>].

Milk Procurement: Salem Aavin likely procures milk from dairy farmers within the Salem district and surrounding areas. The exact volume might be found in Aavin annual reports or local news articles.

Processing Facilities: Salem Aavin likely possesses a dairy processing plant for activities like pasteurization, packaging, and potentially some value-added product creation (ghee, curd, etc.).

Product Portfolio:

Focus on offering a variety of milk products like pasteurized toned, full-cream, and flavored milk.

May also produce other dairy products like curd, ghee, paneer, and ice-cream depending on its processing capabilities.

Market Position:

Holds a dominant position in the Salem district's dairy market due to its brand recognition, association with quality, and potentially competitive pricing compared to private players.

However, it likely faces competition from private dairies and local vendors, particularly for loose milk sales.

Statement of the Problem

Aavin, the Tamil Nadu Cooperative Milk Producers' Federation, enjoys a dominant position in the state's dairy market. However, in recent years, private dairies and local vendors have intensified competition, particularly in districts like Salem. This study aims to investigate how effectively Aavin utilizes its marketing mix strategies to maintain its market competitiveness within the Salem district.

1.3 OBJECTIVES OF THE STUDY

Primary Objective: To assess the market competitiveness of Aavin products in Salem district using Marketing Mix

Secondary Objectives:

- To study the impact of Product on competitive advantage of Aavin products in Salem district
- The study the effect of Price on competitive advantage of Aavin products in Salem district
- To study the impact of Place on competitive advantage of Aavin products in Salem district
- To study the impact of Promotion on competitive advantages of Aavin products in Salem district
- Questionnaire for Assessing Aavin's Market Competitiveness in Salem District using Likert Scale

Scope of the Study

This study will focus on the following aspects of Aavin's marketing mix and its impact on market competitiveness in Salem district:

- **Product:** Analyze the variety of Aavin products available in Salem, including milk types, value-added products, and packaging options. Assess how well these offerings align with consumer preferences in the district.
- **Price:** Examine Aavin's pricing strategy for milk and milk products in Salem. Compare Aavin's prices with those of major competitors to understand their competitive advantage or disadvantage.
- **Place:** Evaluate Aavin's distribution channels in Salem, including its network of retailers, distributors, and potentially direct sales outlets. Analyze the effectiveness of these channels in reaching all potential customer segments.
- **Promotion:** Investigate Aavin's promotional activities in Salem, encompassing advertising, sales promotions, and public relations efforts. Assess the reach and effectiveness of these activities in creating brand awareness and influencing purchasing decisions.

Limitations of the Study

This study may have certain limitations:

Data Availability: Access to detailed data on Aavin's sales figures, marketing budgets, and specific marketing activities in Salem might be restricted.

Consumer Research: Conducting extensive consumer surveys within the scope of this study might not be feasible.

Focus on Aavin: The study will primarily focus on Aavin's marketing mix and competitiveness. Analyzing the strategies of all private competitors might be outside the study's scope.

Conclusion

This study investigated the marketing mix and market competitiveness of Aavin products in Salem district, Tamil Nadu.

This questionnaire uses a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) to gauge consumer perception of Aavin products and the marketing mix in Salem district.

Instructions: Please read each statement carefully and circle the number that best reflects your level of agreement.

General Information

Age: _____

Gender:

Male

Female

Location in Salem district:

Urban

Semi urban

Rural

Monthly salary

15,000 – 25000

25,000-35,000

35,000-45,000

50,000 Above

4Family size

1-2

2-4

3-6

More than 6

Occupation

Salaried

Self Employed

Others

Do you currently purchase Aavin dairy products?

Yes

No

2. If you answered yes to question 1, how often do you purchase Aavin products?

Daily

Weekly

Fortnightly

Monthly

3. Which of the following Aavin products do you consume? (Select all that apply)

Milk (Full Cream, Toned, Double Toned, etc.)

Regularly, Often, Occassionally, Rarely, Never

Ghee

Curd/Yogurt

Ice Cream

Butter

Cheese

Others (Please specify)

4. What is the primary reason you choose Aavin products?

Price

Quality

Availability

Brand reputation

Other (Please specify)

5. How satisfied are you with the quality of Aavin products?

Very satisfied

Somewhat satisfied

Neutral

Somewhat dissatisfied

Very dissatisfied

6. How satisfied are you with the price of Aavin products?

Very satisfied

Somewhat satisfied

Neutral

Somewhat dissatisfied

Very dissatisfied

7. Do you find Aavin products readily available in your area?

Yes

No

8. In addition to the products you currently purchase, are there any other Aavin products you would be interested in trying?

Yes (Please specify)

NO

Product

| S.No | Statement | 5 | 4 | 3 | 2 | 1 |
|------|---|---|---|---|---|---|
| 1. | Aavin offers a wider variety of dairy products compared to other brands in Salem. | | | | | |
| 2. | Aavin frequently introduces new and innovative dairy products. | | | | | |
| 3. | The quality of Aavin products is superior to other dairy brands in Salem | | | | | |

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

Price

| S.No | Statement | 5 | 4 | 3 | 2 | 1 |
|------|---|---|---|---|---|---|
| | Aavin's dairy products are priced competitively compared to other brands in Salem. | | | | | |
| | Aavin's pricing strategy is fair considering the quality of their products | | | | | |
| | Price fluctuations and discounts offered by Aavin influence my decision to purchase their products. | | | | | |

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

Place

| S.No | Statement | 5 | 4 | 3 | 2 | 1 |
|------|--|---|---|---|---|---|
| 1. | Aavin products are easily available in most stores I frequent in Salem. | | | | | |
| 2. | Aavin's distribution network effectively reaches consumers in both urban and rural areas of Salem. | | | | | |
| 3. | The accessibility of Aavin products is better compared to other dairy brands in Salem | | | | | |

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

Promotion

| S.No | Statement | 5 | 4 | 3 | 2 | 1 |
|------|---|---|---|---|---|---|
| | I am aware of Aavin's advertisements and promotional campaigns for their dairy products in Salem. | | | | | |
| | Aavin's promotional activities effectively communicate the benefits of their products. | | | | | |
| | Aavin's promotions influence my decision to purchase their dairy products over competitors | | | | | |
| | Compared to other dairy brands, Aavin has a stronger brand presence in Salem. | | | | | |

1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

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1 (Strongly Disagree) 2 (Disagree) 3 (Neutral) 4 (Agree) 5 (Strongly Agree)

LITERATURE REVIEW

Review of literature shows the previous studies carried out by the researchers in the field. The main purpose of the review of literature is to indicate the problem that are already investigated and those that need further investigation. The researcher should refer academic journals, conference proceedings, document report, books etc. depending on the nature of the problem. A critical reading of relevant literature becomes indispensable not only locating the research problem, but also in analysing the procedure. In this process, it should be remembered that one source will lead to another.

Nature Venkata Prasanta (2014) carried out a study on customer satisfaction rate towards AAVIN milk in

Coimbatore. The non-probability convenience sampling was adopted to draw a sample of 150 respondents. The study focused on ascertaining consumer preference in purchase of AAVIN brand of milk and analysing the perceived differences of various brands of milk on key attributes and also on identifying measures for improving customer satisfaction. Purity, taste thickness, availability, price, service of agents and place of purchase were the criteria used in the study. It was found that AAVIN brand of milk was rated high for purity, taste and thickness. Attributes like availability, price and service of agents were also rated good.

Riyaz Mohammed (2013) conducted a study on comparison of AAVIN, AROKYA and SAKTHI milk with special reference to Coimbatore city with a sample size of 150 respondents drawn on convenience sampling method. The study aimed to understand the consumer preference of branded milk, expectation impact of packing of branded milk. The findings of the study revealed that the AAVIN brand of milk preferred for its purity, quality and price. But the advertisement campaign, home delivery, non-availability in retail outlets were the points of dissatisfaction when compared to milk brands of AROKYA and SAKTHI. Even though these brands claimed that package of milk in polyethylene packs were safe, it was still found to be unhealthy.

BOOPATHI C (2012) the project entitled "An Overview of consumer behaviour of Aavin milk with reference to Erode District" is carried out with an objective to determine the customer behaviour towards Aavin milk products and to find out the customer mentality towards using the service. The research mainly focuses on the factors like quality, consumer preference, price, service, attitudes and experience of consumers. In this study, data are collected from the consumers through questionnaire (interview schedule). 100 samples are selected using convenience sampling. Using the interview schedule prepared, the 100 consumers are interviewed personally and their opinion was collected. Secondary data was collected from related websites, books. The collected data is analysed using simple percentage and chi-square. As per the findings, suggestions are given to the company to take initiation to fulfil the consumer needs.

12

According to James Coax (2010) in the economic journal, consumer economics traditionally operates on the hypothesis that consumers seek the most utility, or satisfaction that they can buy. Consumer preference involves the ranking of goods and services according to how much benefit they afford. The study of consumer preference employs assumptions about consumer behaviour and how they decide preference. A Consumer preference explains how a consumer ranks a collection of goods or services or prefers one collection over another. This definition assumes that consumers rank goods or services by the amount of satisfaction, or utility, afforded. Consumer preference theory does not take the consumer's income, good or services price, or the consumer's ability to purchase the product or service.

BOOPATHI.B (2009) India is the world's largest dairy producer. Indian Dairy sector has grown substantively over the years. Dairy products demand in India has increased dramatically in both rural and urban sectors. However, as a larger population is migrating from rural areas to cities. Thus, creates greater demand for dairy products. Tamil Nadu state is one of the ten largest milk producing states in India. In the state, major milk contributor is

AAVIN, a Tamil Nadu-based milk producer's union, procures milk, processes it and sells milk and milk products to consumers. This paper analyses consumer perception over the AAVIN special reference to the Pollachi Taluk of Tamil Nadu State. The aim of the study is revealing consumer perception over AAVIN milk products based on their age, educational qualification and monthly income of the consumers' family. It also depicts level of satisfaction about the product using chi-square test.

