

Analyzing Marketing Strategy of Milk and Dairy Products Launch Plan for New Variety of Milk

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ABSTRACT

The authors conducted a survey in Nagpur to analyse the marketing strategy for liquid milk and the new product launch plan for a new variety of special milk. He has focused on marketing strategies used by major liquid milk players in the market like differentiation strategy, low pricing strategy, and focus group strategy, and we've also figured out how to break into a new market segment with a new liquid milk variety. Based on our observations, we're trying to collect information from 350 tea vendors in Nagpur. We also collected data from major milk marketing players, whose names are not to be revealed, so we have annotated A, B, C, D, E, and others. The current study focuses on emphasising the importance of a launch plan strategy for new milk and dairy products.

KEYWORDS: Marketing strategy, tea special milk, segmentation, new product launch plan, etc

ARTICLE DETAILS

Published On:
27 November 2021

Available on:
<https://ijpbms.com/>

INTRODUCTION

After massive increase in the 1990s, the global dairy goat population was estimated to exceed 218 million in 2017. In 2017, Asia (52 percent), Africa (39 percent), Europe (5%), the Americas (4%), and Oceania (1%), accounted for the majority of the world's population. In the last decade (2007–2017), the global population of dairy goats increased by roughly 22%. Africa experienced the most growth (32%), followed by Asia (19%) and Oceania (3%), with Europe (0.9%) and the Americas (0.7%) experiencing minor net drops. Despite having only 5% of the population, Europe supplies 15% of total goat milk due to higher specialisation and commercialization¹.

India is the world's largest producer of milk, accounting for 20% of global output. India generates more than half of its milk from buffaloes (*Bubalus bubalis*), followed by indigenous cows (*Bos indicus*) and crossbred cows, in contrast to most other countries. Since the 1960s, native cows have been mixed with higher-productivity

European breeds (*Bos taurus*), such as Holstein, Friesian, Jersey, Brown Swiss, and Red Dane, to increase milk yield. Despite the fact that cows only provide about half of India's milk, the country has the world's largest dairy cow population: 48,610,350 dairy cows (or 17.8% of the total population) in 2016. Traditional smallholder dairy farming systems still dominate in India, although the number of larger commercial systems is growing².

In low-income countries spanning Africa, Asia, Latin America, and other places, locally adapted goats are kept for both milk and meat, with the majority of the meat being sold informally. In pastoralist settings, goat milk is well valued and cherished, particularly in drier and drought-prone areas, and is frequently the only source of protein in children's meals. Despite their importance to some of the world's poorest populations, government-led research, extension, and marketing activities have ignored small ruminants in general and dairy goats in particular. Nonetheless, goat milk is produced in large quantities in

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many African nations, including Sudan, Mali, Somalia, Kenya, and Algeria³. About 60% of the world's goats are found in Asia, with China, India, Pakistan, and Bangladesh having the biggest populations. Despite the fact that meat sales make for the majority of earnings from goat farming around the world, goat milk output and consumption have both increased at the same time¹.

Nagpur has a substantial liquid milk market, with about five big companies accounting for 80 percent of the pouch milk market with sales of more than 200,000 Liter per Day (LPD). Every business deals with a variety of milks, such as Buffalo milk, Cow Milk (CM), Toned Milk (TM), Double Toned Milk (DTM), and Standardized Milk, on average. Nagpur has a significant market, according to the milk marketing sector, with a population of over 30 lakh people and around 1400 tea merchants. The average daily milk consumption in Maharashtra is roughly 180 grammes. In Nagpur, however, the average Per Capita Consumption is roughly 200 grammes per day. According to source statistics, Nagpur's entire milk requirement is around 6,00,000 LPD, with the average packed milk size being about 2.5 LLPD (Lakh Litre Per Day) and the rest 3.5 LLPD having a loose milk market. As a result, many organisations have the option to use their own tactics to convert the liquid loose milk market to the packed milk market, and statistics suggest that Nagpur has the opportunity and potential for liquid milk marketing.

The current study examines the existing business strategies of various firms in the liquid milk market and conducts a pre-launch survey of tea special milk in the Nagpur milk market, focusing on questions about preparation method, type of material used, and procurement of raw material, i.e., milk, by tea vendors, restaurant and hotel owners, as well as examining the existing business strategies of various firms in the liquid milk market and conducting a pre-launch survey of tea special milk in the Nagpur milk market. Increase sales by shifting to a new retail location, and identify the numerous barriers to launching a new milk brand in the overall market and in a specific category. To increase the tea's quality, it's necessary to analyse the potential market in each sector and come up with new ideas or tactics for tea unique milk, as well as adjust the milk composition.

Maintaining the quality of dairy products is crucial in a nutrient-deficient country like India. Strategy implementation, according to the studies, comprises agreeing on a target market, a marketing mix, and a marketing budget⁴. The first step in putting a strategy into action is to choose a target market. A target market is a segment that a firm wishes to investigate; selecting the proper segment is a critical exercise; if a marketer fails to do so, he will be unable to focus his efforts effectively and efficiently. In this case, we must concentrate on a specific type of tea milk, which necessitates careful consideration of the marketing mix (Product, Price, Place, Promotion, and

Packaging). Explains how marketers gather timely, accurate, and actionable information on customers and competitors, as well as the steps involved in conducting effective market research. The entire marketing strategy is based on meeting the needs, wants, and desires of the customer⁴. According to the definition, agriculture renaissance refers to a renewed understanding and commitment to agriculture's fundamental role in the development process⁵. It could be small-scale agricultural commercialization and closing the income gap between rural and urban areas. Rapid income growth, urbanisation, technological access, and other factors are causing significant changes in the food sector in developing countries. It means that as the population of urban areas grows, so does the demand for milk, or per capita consumption in developing countries. Asia Dairy Markets with their new consumption pattern, changing lifestyle, changing industry, and trade prospects⁴ provide an overview of important findings regarding the ongoing evolution of Asia dairy markets based on a series of new economic investigations. States that different sector organisations use milk in different ways (26%), Dairy Cooperative (11%), and Private Sector (7%), (3%) The majority of milk is converted into products with a longer shelf life; about 36% of the supply is used as fluid milk⁶. Food marketing will change dramatically in the twenty-first century as a result of new communication and food production technology, rising living standards, and changing consumer lifestyles, as well as the relationship between consumer and food markets⁷. According to the report, operation flood and dairy cooperatives have emerged as India's greatest rural employment scheme, allowing the dairy sector to modernise to the point where it can meet not just the country's demand for milk and milk products, but also international demand. According to the report, rural producers produce 80% of milk, while the organised sector manages the remaining 20%^{8,9}

In this paper, the following themes are discussed: an examination of branded milk marketing techniques in Nagpur, as well as an assessment of the prospects and constraints of branded milk marketing in Nagpur. In Nagpur, we also did a comparative research of branded milk, as well as pre-launch methods and milk-related behaviour of tea stall vendors, restaurants, and hotel owners. Finally, we assessed the breadth of milk safety by converting loose milk to packed (pouch) milk, as loose milk is prone to adulteration, contamination, and other concerns.

METHODS AND MATERIALS

Some of the key hypotheses to consider when implementing a marketing strategy are as follows: The study was based on the collection of primary and secondary data, and conclusions were drawn from it. Both hypotheses are re-examined, and their utility is determined. Following that, the milk marketing organisation is advised to accept or reject these hypotheses.

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The following are some of the hypotheses, Milk is cheaper during the off-season hence a well-functioning distribution network to boost dealer and consumer satisfaction, as well as the company's reputation. Put forth provisional effective schemes that will play a critical role in increasing sales. To attract the attention of consumers, with assistance of posters, print media, painting, and television advertising.

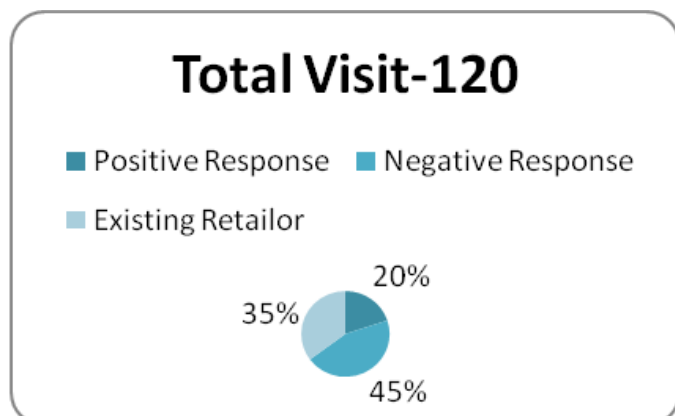
“The systematic, objective, and exhaustive search for the study of facts relevant to any problem in any field,” according to the definition of methodology. Personal interviews and observations were undertaken during the survey in order to extrapolate the results. Feedback was gathered using closed-ended questions in order to provide a precise answer to the questions given.

RESULTS

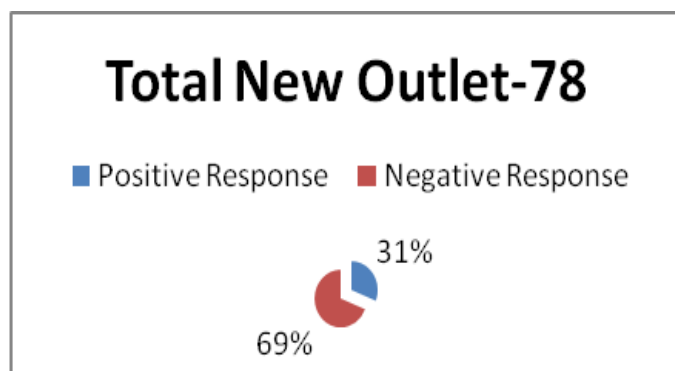
A) Data analysis of existing players strategies for liquid milk market.

1. Response from retailers

The responses from a total of 120 retailers were recorded, and the graph below was created to help visualise the data. The graph below depicts all of the categories as a whole.

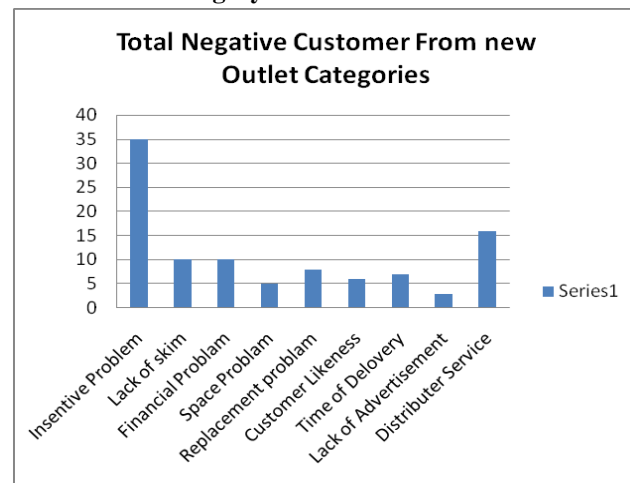


Graphical representation of response collected from new outlets



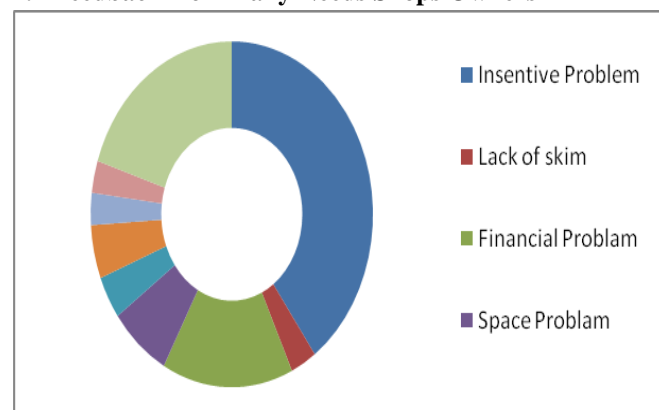
Graphical representation of negative feedback from customers

New Outlets Category



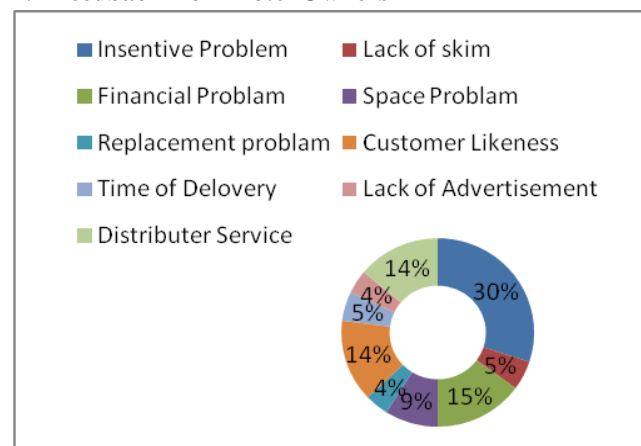
Due to a 35 percent incentive problem and a distributor service difficulty, shop owners and retailers refused to open outlets and sell products from their stores (16 percent). Negative attitudes of shopkeepers toward opening milk outlets are divided into four categories, with the data interpreting it as the most significant obstacle or issue for each section in the new outlet category.

1.1 Feedback from Daily Needs Shops Owners



The biggest hurdle for everyday requirements owners and distributors is the incentive problem, and financial problems are also a decisive factor for them.

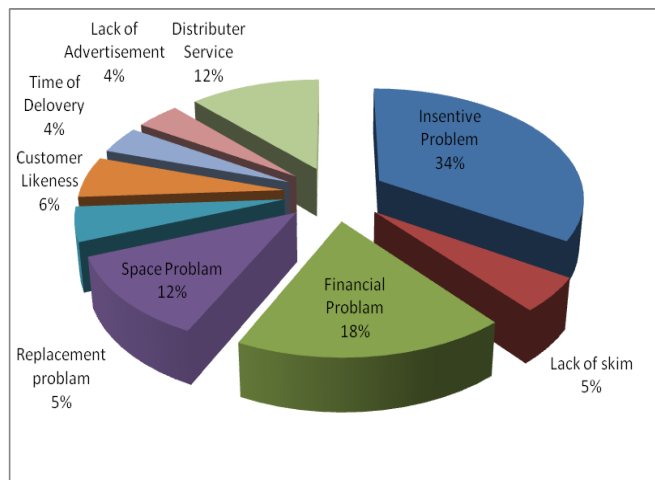
1.2 Feedback from Hotel Owners



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Because of the motivation problem, financial problems, and incorrect distribution, the majority of hotel owners refused to purchase milk.

1.3 Feedback from Miscellaneous Business Owners



Other business owners, such as mobile shop owners, medical store owners, bakery owners, and general store owners, are too busy with their own enterprises to offer liquid milk from their own outlets.

Analysis and Interpretation

Following are the findings of the research. The key barriers to opening new milk outlets for the new outlets category are incentives and distributor or financial concerns. These are the main barriers to opening milk outlets for each individual group.

2. Data Analysis of Pre-Launch Survey of Tea Special Milk

The data was collected using a non-probability sampling method, and the study included persons who manufacture tea in any place, such as local tea vendors. For this study, a total of 350 respondents from Nagpur city (varying in age from 15 to 65 years) were chosen. The study was conducted from 7:00 a.m. to 12:00 p.m. and 4:00 p.m. to 7:00 p.m., which is the peak period for tea consumption.

DATA COLLECTION

Questionnaires were created with the research purpose in mind, and respondents were asked about their willingness and knowledge of tea specials. Direct interviews were done with the use of questionnaires in order to obtain precise information. Tea stall vendors, restaurants, and hotel owners were approached directly in order to obtain accurate information. The milk was divided into two categories: branded and local milk, and was labelled with the letters A, B, C, D, E, and other.

RESULT AND DISCUSSION

Milk	Brand of milk used for making tea
A	27%
B	30%
C	15%
D	8%
E	8%
Other	12%

A and B are the primary market producers, as seen in the diagram above. However, 15 percent of tea vendors favoured C, and other milk consumers preferred C as well.

2.2 Quantity of milk purchased from distributor/retailer

Sr. no	No of tea stall visit in Nagpur city	Total quantity of milk used to make tea
	410	22 litre

The aforementioned information will reveal the total amount of milk consumed by tea vendors. It will also abandon the notion that businesses will target not only retailers but also tea vendors.

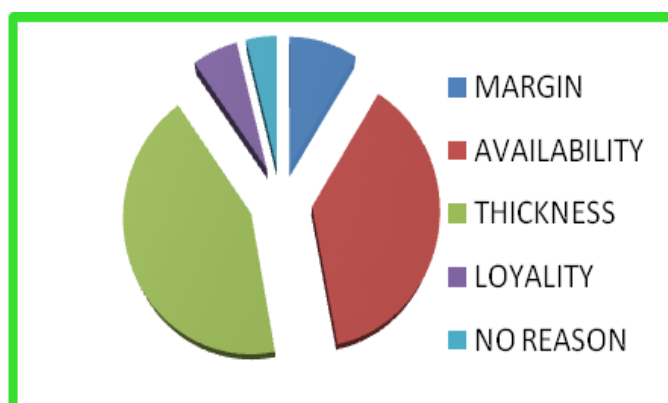
2.3 Category of milk used for making tea

Sr. no	Type of Milk used	Quantity of Milk used in Percentage
1	Standerised milk	79
2	Loose Milk	14
3	Toned Milk	6
4	Full Cream Milk	1

Standardized milk is the most commonly utilised milk by tea shop owners since it is thicker and more affordable. Tea dealers utilise loose milk to some extent as well.

2.4 Reason for usage of the branded milk

Sr. no	Reason	Percentage of Consumer/user
1	Quality	9
2	Availability	38
3	Thickness	43
4	Loyalty	6
5	No specific reason	4



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The main reason for choosing brand milk is that the tea should taste better and be thicker and more readily available.

2.5 Mode of delivery

Milk was delivered to 89 percent of consumers via self-pickup, while milk was provided to 11 percent of consumers via shop delivery. We can deduce from the foregoing statistics that the majority of tea owners obtain milk from retailers rather than distributors due to a lack of storing units and variations in usage and consumption.

2.6 Source of milk purchase

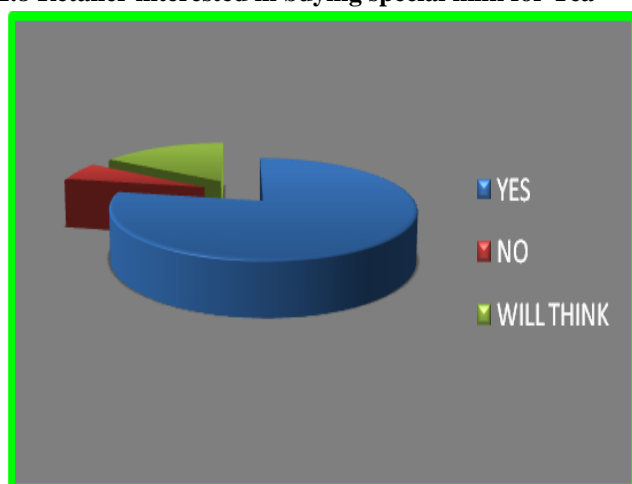
Sr. no	Source	Percentage of Consumer
1	Through distributors	15%
2	Through retailer	77%
3	Others	8%

According to the aforementioned data, the majority of tea owners buy milk from retailers rather than distributors since they do not have a storage unit and also because they use it differently.

2.7 Infrastructure facilities owned by stall owner

Sr. No	Infrastructure	Consumer in percentage
1	Working table	67%
2	Stool/ chairs	14%
3	Insulated box	12%
4	Refrigerator/ visi cooler	7%
5	Bottle cooler	0%

2.8 Retailer interested in buying special milk for Tea



We discussed all of the attributes of tea special (standardised) and obtained the results shown above, however the majority of tea stall owners stated that the tea special should be thicker in nature, more affordable, and produce more cups of tea.

DISCUSSION

More product knowledge of A should be offered through promotional activities such as wall painting and flex boards than for other brands. For bulk users such as tea stalls, hotels, restaurants, and so on, the company should produce 5 litre packaging. Enhance the services they provide to their distributors, merchants, and customers. The availability of each variation of goods, as well as prompt service, must be provided. A wide range of products must be available, as well as prompt service. B milk has a successful distribution and retail strategy, as well as an area-based business plan, for increasing sales in Nagpur. In terms of quality, A outperforms the other milk companies in Nagpur. B offers distributor categories such as VIP distributors, VVIP distributors, and providing incentives to distributors. C has a market in a certain portion of the cream milk market in a specific place.

A milk sales are increasing due to exceptional service and a high-quality product, while B milk is readily available to clients due to a solid distribution infrastructure. To compete in the Nagpur Market for milk marketing, players should employ a consumer-focused strategy with high-quality milk, which is a differentiated strategy. According to my observations, selling milk in the Nagpur market is a difficult undertaking for any new company; but, if the company wants to stay in business, it must produce a high-quality product and adopt a customer-oriented strategy. Branded milk sales are steadily increasing. However, I've noticed that if a company boosts sales with a plan and a discount, sales drop once the scheme ends. Only the company gets the benefit of having their product placed in front of the most people.

After the scheme or discount is implemented, one firm boosts sales while another firm reduces their share of the entire current milk market during the scheme/ discount period. B brand has a highest selling of 90,000 LPD and contributes over 36% of market share in terms, followed by A with a sale of 40,000 LPD and making a contribution 16% of total market share, C with a sale of 30,000 LPD and contributing 12% of total market share, D with a sale of 25,000 LPD and contributing 10% of total market share, and other small firms with a sale of 30,000 LPD and contributing 10% of total market share. According to available data, the overall pouch milk market size is less than 2,50,000 LPD, out of a total milk market size of approximately 6,00,000 LPD. Because of the high quality of the product and the excellent service, many merchants who had never sold milk before now sell a variety of other items. Milk marketing companies have faced fierce competition and have had to adapt their methods to the changing marketing environment on a regular basis. According to the report, 60 percent of Nagpur's population still relies on unlicensed milk dealers and farmers. Tea venders must be made aware of Tea Special Milk through new promotional activities devised by the milk marketing firm. The most

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important factor that determines a consumer's decision to buy Tea special milk is quality. Other players, such as B, C, and D milk, provide improved availability and fierce competition in comparison to A milk. People are mainly content with A milk's overall quality, but B milk's presence in the local market with aggressive selling practises irritates them.

CONCLUSION

If any of existing player come with tea special milk, definitely impact on their existing toned milk sales and standardise milk sales but any new firms want to enter in to the market they have definitely scope to gain tea special variety milk market under the title of standardized milk.

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