

## A STUDY ON CUSTOMER SATISFACTION TOWARDS PONLAIT PRODUCTS



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### ABSTRACT

Cooperative movement has gained prominence in our country since independence and has helped in empowering millions of downtrodden people of our society. One such milestone in the history of cooperative movement in the country is Ponlait, which works in the Union Territory of Puducherry with 38 retail outlets and 152 salesmen, accomplishing a monthly turnover of almost 3 crores of rupees. Ponlait got the distinction of gaining



entry into MNEMONIC club of the NDDB for the country's dairy cooperatives on 30/03/2002. Ponlait enjoys almost three-fourth share of the dairy market in Puducherry. Considering the role played by the society for serving lakhs of households and dairy farmers, this descriptive study has made an attempt to analyse the level of customer satisfaction towards Ponlait products by administering a well structured interview schedule to 233 Ponlait customers selected in Puducherry using Convenience sampling technique. Satisfaction level of customers about Ponlait products is quite good. Females possess higher degree of satisfaction towards Ponlait, which is a bonus for the society as it is women who make decision on purchase of milk and milk products. Hence, it can be said that by virtue of enjoying women support, Ponlait has implemented effective marketing strategy to cover the all important women market. Similarly, the satisfaction level among extensive users of milk such as those spending high on milk and those with bigger families and the old aged customers is higher implying that Ponlait has managed to amass support of important segments of milk market. The other positive aspect is that Ponlait has been highly regarded by the customers when compared with its competitors regarding quality of product and packing. However, lack of loyalty among customers is a caution to Ponlait to identify customer needs periodically and cater to them adequately and promptly. Ponlait should implement more promotional measures to impart knowledge among the public about the different products offered by it. Further, personalized services should be improved with the deployment of good and pleasant staff in the booths. Hence, execution of effective marketing strategies consisting of rational pricing mechanism, suitable distribution channels and pleasant

personnel services, effective promotional mechanism and installation of additional booths and providing for free home delivery of milk can enhance the popularity of Ponlait and make it unbeatable in the dairy market of Puducherry.

**KEYWORDS** :*Customer satisfaction, Product Appreciators, Package Contenders and Relative Evaluators.*

### **INTRODUCTION :**

Cooperative movement has gained prominence in our country since independence and has helped in empowering millions of downtrodden people of our society. One such milestone in the history of cooperative movement in the country is Ponlait, which works in the Union Territory of Puducherry with 38 retail outlets and 152 salesmen, accomplishing a monthly turnover of almost 3 crores of rupees. Ponlait procures more than 110,000 litres of milk from various Panchayat Societies depots in Puducherry and an additional 30,000 litres from Karnataka and 8,000 litres from Tamilnadu, and sells to the residents of Puducherry through its outlets, milk and by products such as Coffee, Ghee, Curd, Butter Milk, Flavored Milk, Bhadham powder, Khoa varieties, Ice Cream and Chocolates.

Ponlait was the first cooperative society to be instituted in the UT of Puducherry. The society was registered as Pondicherry milk supply society on 07/02/1955. The society was established with the prime objective of supplying milk to urban consumers. The society diversified its activities to assist dairy farmers by providing incentives to them. The society initiated the process of procuring milk from village dairy farmers since 1970 and dairy processing plant with 10,000 liters processing capacity was instituted on 12/04/1971 to facilitate large scale milk procurement. On 1973, the society was converted to Cooperative Milk Producers Union and started focusing on welfare of village dairy farmers. Currently, Ponlait is engulfing 97 affiliated functional Dairy Cooperative Societies with 34,798 cattle owners as members. The milk suppliers are paid cash every fortnight and inputs in kind for the milk supplied.

Ponlait is running a Procurement and Input department which oversees procurement of quality milk from rural dairy farmers and implement milk production augmentation programmes such as providing healthy cattle fodder and artificial insemination. Ponlait got the distinction of gaining entry into MNEMONIC club of the NDDB for the country's dairy cooperatives on 30/03/2002. Ponlait enjoys almost three-fourth share of the dairy market in Puducherry and considering the role played by the society for serving lakhs of households and dairy farmers, this study has made an attempt to analyse the level of customer satisfaction towards Ponlait products.

### **REVIEW OF LITERATURE**

Outlook, likings and needs of consumers about dairy products immensely vary and this heterogeneity feature of consumers complicates the process of devising marketing strategies for players in the dairy industry. Generally, consumers of dairy products place utmost importance to quality, health aspect, convenience and process of manufacture (Grunert 2005).

Consumers decide about their purchase depending on the utility derived by them out of such purchase (Rowley 1997). Consumers may make compulsive or impulsive purchases. Compulsive purchase is an enduring and frequent purchase responding to negative incidents or emotions (Faber and O'Guinn 1992). Compulsive consumers possess low degree of esteem and are highly imaginative and are subject to greater level of depression when compared with their impulsive counterparts (Faber and O'Guinn 1989). Irrespective of nature of purchase, consumers attach paramount importance to safety and quality while deciding about consumption of dairy and other food products (Grunert 2005).

Consumers generally derive information about quality and safety of products through brands or physical look of the product (Nelson 1970). Consumer choosing dairy products for consumption is a complex phenomenon affected by numerous social, psychological, cultural and biological factors (Frewer and van Trijp 2007; and Rozin 2007). Cultural and socio-economic standing of consumers play a dominant role in determining their decision to purchase dairy and food products (Overby et al. 2004; Hoogland et al. 2005; Tse et al. 1989). Nation's percapita and disposable income also exerts significant bearing on consumer buying pattern (Kim et al. 2002). Other important factors having a bearing on consumer behavior are personal values (Homer and Kahle 1988), brand image (Aaker 1996) and behavior of fellow consumers (Park and Lessig 1977; Price et al. 1989; McGrath and Otnes 1995).

### OBJECTIVES OF THE STUDY

- 1.To study the satisfaction level of customers about Ponlait products;
- 2.To study the determinants of customer satisfaction of Ponlait products.

### METHODOLOGY

The proposed research is descriptive in nature, based on primary data, collected by administering a well-structured interview schedule to 233 customers of Ponlait. The town of Puducherry is the sample frame for the study while customers using Ponlait products constitute the sample population. Convenience sampling method has been used for the study while the sample size is 233. The data collected have been represented in tables and analysed using Statistical Package for Social Science, employing the statistical tools of Mean, ANOVA, Regression analysis, Cluster analysis and Correspondence Analysis.

### DATA ANALYSIS

#### Demographic Profile of Respondents

Of the 233 respondents studied, 66.1% were males and 33.9% were females; 12.4% were aged below 25 yrs, 36.1% were aged 25-45 years and 51.5% were aged more than 45 yrs; 2.6% of the respondents were students, 27.0% were entrepreneurs, 30.0% were homemakers, 20.2% were Government employees and 20.2% were private employees; 28.8% are under graduates and 71.2% are graduates; 27.6% have 3 family members, 72.2% have 4 family members and 0.2% have more than 4 family members; 4.3% of the respondents spend less than Rs. 600 on milk every month while 67.4% spend Rs. 600-1200 and 28.3% spend more than Rs. 1200; all the customers have consumed Ponlait products for more than five years; 11.2% of the respondents purchase Ponlait milk Occasionally while 6.0% purchase Often and 82.8% daily; 85.4% purchase ghee occasionally while 14.6% purchase to a certain extent; 87.1% consume Ice-cream to a certain extent while 9.9% purchase often and 3.0% consume daily; 85.8% consume Flavored Milk to a certain extent while 14.2% Occasionally; 76.0% consume Khoa occasionally while 24.0% to a certain extent; 10.7% consume Khulfi occasionally while 82.0% to a certain extent and 7.3% often; 76.0% purchase Coffee often while 18.0% consume to a certain extent and 6.0% consume often. All the 233 respondents purchase Chocolate, Paneer and Badham powder occasionally while all of them purchase Butter Milk and Curd to a certain extent.

#### Respondents Satisfaction Level About Ponlait

Satisfaction level among customers about Ponlait products has been obtained a Likert's five point scale and the results have been portrayed in Table 1.

It can be inferred from Table 1 that the customers are well satisfied with Ponlait products as the

mean is hovering around the 3.9 mark. It can further be inferred from the table that Females, those aged less than 25 and more than 45, all customers other than businessmen, those having more than four family members and those spending Rs. 600-1200 on milk every month have higher degree of satisfaction than their respective counterparts.

**Table 1: Customer Satisfaction Regarding Ponlait Products**

Group	Respondents	Mean	F	P
Gender	Males	3.8	3.5	0.06
	Females	3.96		
Age	<25	3.97	2.83	0.061
	25-45	^3.86		
	>45	3.94		
Occupation	Business	^3.5	4.21	0.003
	Student	3.92		
	Home maker	3.94		
	Govt.	3.96		
	Private	3.87		
Income	<15k	3.8	0.87	0.41
	15-40K	3.92		
	>40K	3.92		
Education	UG	3.93	0.14	0.69
	Degree	3.91		
Family Size	3	3.84	3.25	0.04
	4	3.94		
	>4	^4.00		
Marrital Status	Married	3.91	0.58	0.44
	Unmarried	3.96		
Expenditure	<600	3.84	5.9	0.016
	600-1200	3.94		
Frequency of Usage	Occasionally	3.92	0.037	0.96
	Often	3.93		
	Daily	3.91		
Overall mean		3.9		

**Customer Opinion Abot Different Aspects of PonlaitProductcs**

Opinion of customers about different aspects of Ponlait has obtained in Likert’s five point scale and the the results have been portrayed in Table 2.

**Table 2: Customer Opinion About Different Aspects of Ponlait Products**

Factor	Mean	Factor	Mean
Personalized services	3.2721	Product range	3.3927
Comparative preference	3.6667	Pricing	2.7339
Packaging	3.89	Loyalty	2.43
Product Quality	4.0	Promotion	3.22

It can be inferred from Table 2 that the respondents are not happy with the price charged by Ponlait while they are quite happy with Ponlait products when compared with other products available in the market. The point of concern is the lack of loyalty among customers of Ponlait, suggesting that Ponlait should be immensely careful to cater to changing aspirations of customers, failing which it shall lose its market to its private competitors.

However, it is heartening to note that the customers are satisfied with the product quality and packing of Ponlait products which are most important for success of any dairy company. It can also be inferred from the table that Ponlait can improve its Product range, personalized services and effective

promotional techniques to win customer satisfaction and capture loyalty of customers.

**Segmentation of Respondents**

Proceeding further, an effort has been made to segment the 233 respondents into three groups using Cluster Analysis based on their opinion about various aspects of ponlait products and the results of Final Cluster Centres has been displayed in Table 3.

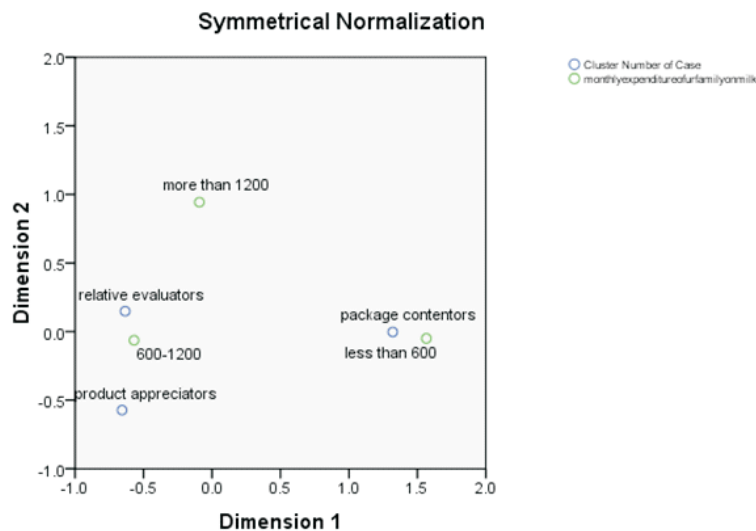
Table 3 suggests that three clusters may be formed based on customer opinion about different aspects of Ponlait products. Based on the mean values in respect of the 3 clusters, the clusters may be labelled as “Product Appreciators”, “Package Contenders” and “Relative Evaluators”. 107, 80 and 46 respondents constitute these clusters respectively.

**Table 3: Final Cluster Centres**

Factor	1	2	3
Personalized Services	3.28	3.14	3.35
Packaging	3.64	4.00	3.89
Product Quality	4.00	4.00	4.00
Pricing	3.03	3.47	2.27
Product Range	4.00	3.57	4.00
Comparative Preference	3.36	3.44	3.50
Loyalty	2.40	2.81	2.49
Promotional Issues	3.45	3.50	3.00
Frequency	107	80	46

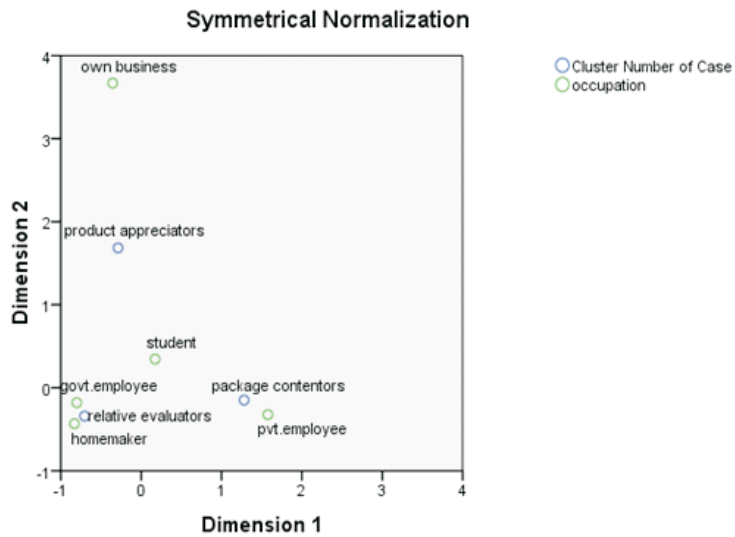
**Demographic Characteristics of the Clusters**

The demographic features of clusters formed have been explored using Correspondence Analysis and the results have been discussed in the forthcoming paragraphs.



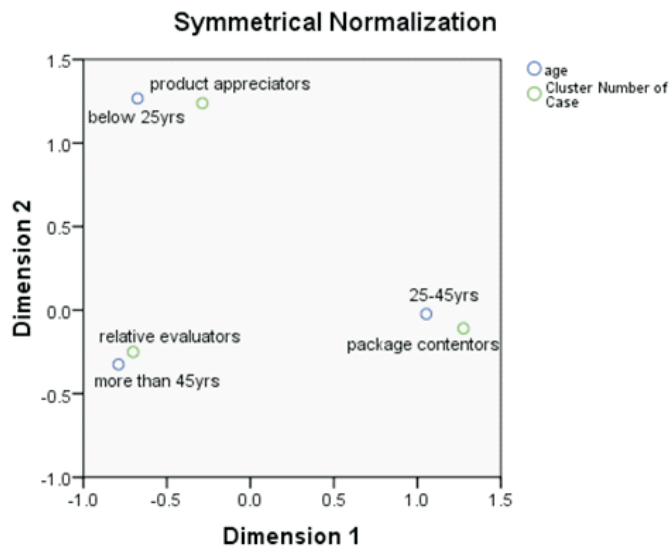
**Fig 1: Family Monthly Expenditure on Milk**

Figure 1 indicates that customers spending less than Rs. 600 every month on milk are associated with Package Contenders while those spending Rs. 600-1200 are associated with Product Appreciators.



**Fig 2: occupation**

Figure 2 suggests that home makers and Government employees are associated with Relative Evaluators while private employees are associated with Package Contenders.



**Fig 3: Age**

Figure 3 suggests that customers aged 25-45yrs are associated with package contentors while those aged less than 25 are associated with Product Appreciators and those aged above 45 are associated with Relative Evaluators.

**Determinants of Customer Satisfaction**

The impact exerted by different aspects of Ponlait products namely, packing, personalised services, promotional measures, pricing, product range and Loyalty level has been explored using Step-wise Regression and the results have been displayed in Table 4.

**Table 4: Determinants of Customer Satisfaction**

Factor	B	Std. Error	T	P
(Constant)	3.393	0.823	4.123	0.000
Personalized Services	0.403		5.884	0.000
Pricing	0.082	0.040	2.052	0.041
Packaging	0.216		3.976	0.000
Product Range	0.640		5.146	0.000
Loyalty	0.221		2.847	0.005
Comparative preference	0.305		11.053	0.000
Promotional Issues	0.074		2.07	0.016

It can be inferred from Table 4 that Product range provided by Ponlait is the most important determinant of customer satisfaction followed by personalized services and comparative preference. From the above Regression results, following model can be derived at:

$$\text{Customer Satisfaction} = 3.393 + 0.640 * \text{Product Range} + 0.403 * \text{Personalized Services} + 0.305 * \text{Comparative preference} + 0.221 * \text{Loyalty} + 0.216 * \text{Packaging} + 0.082 * \text{Pricing} + 0.074 * \text{Promotional Issues}.$$

**INFERENCES AND CONCLUSION**

Satisfaction level of customers on Ponlait products is quite good. Females possess higher degree of satisfaction towards Ponlait, which is a bonus for the society as it is women who make decision on purchase of milk and milk products. Hence, it can be said that by virtue of enjoying women support, Ponlait has implemented effective marketing strategy to cover the all-important women market. Similarly, the satisfaction level among extensive users of milk such as those spending high on milk and those with bigger families and the old aged customers is higher implying that Ponlait has managed to amass support of important segments of milk market. The other positive aspect is that Ponlait has been highly regarded by the customers when compared with its competitors regarding quality of product and packing. However, lack of loyalty among customers is a caution to Ponlait to identify customer needs periodically and cater to them adequately and promptly. Ponlait should implement more promotional measures to impart knowledge among the public about the different products offered by it. Further, personalized services should be improved with the deployment of good and pleasant staff in the booths. Hence, execution of effective marketing strategies consisting of rational pricing mechanism, suitable distribution channels and pleasant personnel services, effective promotional mechanism and installation of additional booths and providing for free home delivery of milk can enhance the popularity of Ponlait and make it unbeatable in the dairy market of Puducherry.

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