
EXPERIMENT 9 ASSESMENT OF STRENGTHS AND WEAKNESSES OF MILK AND MILK PRODUCT MARKETING

Structure

9.1 Introduction

9.2 Objective

9.3 Experiment

Principle

Requirements

Procedure

Observations

Results

9.4 Precautions

9.1 INTRODUCTION

Milk and milk products form an integral part of diet of Indian population. Out of total monthly consumer expenditure, about 8.53 percent is spent on milk and milk products in rural sector and it is 7.13 percent in the urban sector. In a competitive environment, marketing of dairy products by a dairy is a challenging task. Firm's survival and performance shall depend upon its capabilities to exploit the opportunities in the market and designing the marketing-mix accordingly. It calls for an analysis of corporate strengths and weaknesses so that proper adjustments are made to serve markets effectively. By corporate strength we mean competitive advantages and other competencies which a company can exert in the market place. Corporate weakness refers to constraints or obstacles which check moment in the desired direction. For example a dairy product which is reasonably priced and has a longer shelf life is a strength for the dairy plant. Similarly a dairy plant which is accredited with a 9001-2000 Certification Mark possesses strength. In contrast the inability to meet the demand during lean season due to low milk procurement is a weakness.

9.2 OBJECTIVE

- 1 to prepare a questionnaire to assess strength and weakness of any milk and milk product marketing by a nearby milk union dairy plant and to administer it.

9.3 EXPERIMENT

To design a questionnaire to assess strengths and weaknesses of any milk or milk product marketed by a nearby milk union or a dairy and also to monitor it.

i. Principle

The designing and structuring of questionnaire for the purpose require that the relevant environment pertaining to marketing of dairy products is examined first. It covers elements of marketing – mix i.e. product, price, promotion and place of distribution (including channels of distribution). In addition consumers, suppliers of materials (milk to the dairy plant and plant's capacity, internal working environment etc needs to be examined to judge the strength and weakness of the dairy in the field of marketing.

ii. Requirements

The students shall have access to information/ collect data relevant to marketing of milk and milk products by the dairy/ dairy plant under study. The focus should be given to these aspects.

Products, breadth of the product line, packaging, size, quality, market reputation and public image, brand loyalty, customer satisfaction and customer retention, market share etc. of offering of the dairy.

Price, cost, target market (bulk buyer, institutional buyers, retailers)

Promotional activities, efficient, effective sales organization, advertising budget.

Physical distribution and channels of distribution. System of distribution, extent of the reach of dairy to serve the market, warehousing facilities, transport equipments, date processing facilities, training facilities for sales staff.

Expansion potential of the dairy, development capabilities for new products, presence of skilled manpower, ability of the plant to get feedback and market intelligence.

iii. Procedure

The students shall incorporate the above mentioned points in a logical sequence while designing the questionnaire so that information so generated is helpful to analyse each element in terms of strength and weakness. They shall also administer the questionnaire. After getting the response from different respondents, i.e. plant personnel, consumers and suppliers of milk to the dairy on different aspect highlighted above, the data is to be processed further to evaluate different elements in terms of strength and weakness. For this purpose the procedure explained below may be followed.

To identify whether an element i.e. the characteristic under study is a strength or weakness, some criteria for categorizing each element needs to be adopted. In Historical criterion we compare the present record/ performance with the performance in the previous period to judge whether or performance has improved or deteriorated. Improvement is a strength and deterioration a weakness. For example improvement in sales over the previous period is a strength and decrease

in sales is a weakness. In Normative criterion i.e. what ought to be, is also used if we are comparing product quality whether the products meets PFA standards or not. In the Competitive Criterion, a comparison is made between the plant/dairy under study and its nearest rival i.e. what is our position vis-à-vis to our competitors in terms of price charged, customer base, quality, market share, cost structure, installed capacity regularity of providing the products etc. Further analysis can be made to measure the degree of strength or weakness on a Five Point Scale. To determine the degree of strength or weakness a Five Point Scale may be developed, ranging from 1 to 5, the highest score of 5 being given to strongest strength and a score of one to the strength which is relatively at the lowest level. Similarly the weaknesses may also be rated.

iv. Observations

The students shall administer the questionnaire after developing it and it and analyse each element in terms of strength or weakness. The sources of strengths and areas of weakness may be highlighted.

v. Results

The students shall draw inferences from the observations recorded. How strengths can be capitalized and weaknesses are minimized may be suggested here on the basis of information so generated.

9.4 PRECAUTIONS

The students need to be careful while designing the questionnaire. They should neither include any thing in the questionnaire that is not relevant or any relevant point be left out for achieving the objective.