



SCHOOL OF FINANCE AND COMMERCE.  
GREATER NOIDA

## **Research Report**

**On**

Study of Consumer Preference of Mother Dairy Ice-  
Cream and

Flavoured Milk in Delhi

**SUBMITTED FOR PARTIAL FULFILLMENT OF THE  
DEGREE OF  
B.Com. (Hons) (2017-20)**

**Submitted By:**  
**Jigyashu shukla**  
**Admission no. 17GSFC101039**

**Submitted To:**  
**Dr.Mohd.Shamshad**

## **DECLARATION**

I **JIGYANSHU SHUKLA**, hereby declare that this project work is the result of my own research and no part of it has been presented for any other degree in this university or elsewhere. I am solely responsible for any error found in this work.

Date:

Place:

Student Signature:

## **Certificate from the Faculty Guide**

This is to certify that the project titled “**Study of consumer preference of Mother Dairy ice-cream and flavoured milk in Delhi**” has been done under my supervision by **Jigyanshushukla** of Integrated B.Com, 6th semester.

Name and Signature of the Faculty  
guide

## **ACKNOWLEDGEMENT**

It is with a deep sense of gratitude, I acknowledge the efforts of all the hosts and well-wishers who have in some way or other contributed to the success & completion of this Research Report on **“Study of Consumer Preference of Mother Dairy Ice-Cream and Flavoured Milk in Delhi”**

This would not have been possible without the goodwill and support of people around. I would like to express my sage sense of gratitude & indebtedness to my immediate supervisor **Dr.Mohd.Shamshad, Galgotias University** from the bottom of my heart, for his immense support and faith in my work.

I hope that I can build upon the experience & knowledge that I have gained & make valuable contribution towards this industry in coming future.

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## **EXECUTIVE SUMMARY**

My research work was a great exposure for me and I got to learn and know about various new things about the planning and functioning of a Dairy Company. As soon as the mercury rises, no one is happier than the ice-cream manufacturers who are already filling their ice-boxes with dollops of new, mouth-watering flavours.

Out there, in front is the hungry-for-growth **Mother Dairy** which is a wholly owned subsidiary of the National Dairy Development Board (NDDB). It was an initiative under Operation Flood, the world's biggest dairy development program launched to make India a milk sufficient nation. Within 5 years, Mother Dairy's sale progressed three times. Mother dairy targets strategic thrust areas with logical extension. The plus point for this co-operative society is its mother dairy brand equity, large procurement base of raw material, having processing technical know-how, 180 milk co-op network and plans to convert ice-cream into a mass product.

Mother dairy started to expand its market share in Delhi under its 'Grishm Dhamaka Freezer' scheme. Under this, retailers were encouraged to buy their own deep freezers for vending flavoured Milks, with mother dairy negotiating a discounted price on their behalf with refrigeration companies like Western & Voltas.

This is as against the practice of the flavoured Milk Company itself providing the freezer at the retailer's end and a direct two-year guarantee from the manufacturer. These, together with negotiating a discounted price on their behalf, entails cost savings of Rs 5,000-8,000 per freezer depending on capacity and make.

## **INTRODUCTION**

Mother dairy was established by NDDDB in 1974 under the Operation Flood project to take the co-operative vision forward and has built a strong foundation by considering achieving its mandate.

NDDDB's operation flood programme was a great success in replicating the milk procurement and processing and led India to become the world largest milk producing today.

NDDDB through the state cooperative has provided a steady source of livelihood for millions of rural households and ensured supply of healthy and hygienic milk-hallmark of its success – to consumer across the country.

Today Mother dairy is an ideal model of efficiency combined with marketing expertise-has been identified as the change agent for transforming the dairy co-operative sector across the country.

The cooperative is also planning to expand its production facilities beyond NCR to service other regions in India. NDDDB recently launch his ice-cream product in many area of India, Mother dairy Ice-cream are now being enjoyed across the markets of Delhi /NCR, Mumbai, Kolkata, Punjab, Rajasthan, U.P, & Uttarakhand.

The company markets more than 2.2 million litres of milk daily in Delhi and surrounding areas of Western U.P. and Haryana, Mumbai and Hyderabad. Mother dairy Milk has a market share of 66% in the branded sector in Delhi where it sells 2 million litres of milk daily and undertakes its marketing operations through more than 10,000 retail outlets. There are 780 exclusive outlets of mother dairy out of this.

For its flavoured Milk and milk business, NDDDB has begun investing in increasing its milk capacity. It recently firmed up plans to invest Rs 100-120 crore to expand this from 1.1 million litres a day to 1.8 million litres a day at its Patparganj factory.

The cooperative is also planning to expand its production facilities beyond NCR to service other regions in India. NDDDB recently launch his ice-cream product in many areas.

Mother dairy is now focusing on its supply system. Efforts are on to ensure greater availability of Mother dairy ice-cream at pushcarts and small outlets. The company feels that availability is the most important factor in flavoured Milk sales. Thus, Mother dairy ice-cream can be found in just around the corner shops, local STD booths, local kirana shops, chemists and bakers, who stock the ice-cream in deep freezers.

The idea is to ensure visibility and availability, which more often than not ensures a sale as ice-cream consumed out of home is most often an impulsive purchase. Mother dairy expects to clock sales of 34 million litres during the current year and the accent will be on offering 'value for money' products.

The new ice-creams which are launched by Mother dairy recently includes a Simply Coffee, Shahi, Nazrana, Fruit 'N' Nutt, Chocolate in bricks and in stick chulbuli&shararat, an orange ice-cream (LicLolleez), a Bouncer ice-cream with nuts and essential proteins, vitamins and minerals for the growing children, a cheese ice-cream and a sundae in cone for kids in different variants.



# **INDUSTRY AND COMPANY PROFILE**

## **INDUSTRY SCENARIO**

Total flavoured Milk market in our country is of Rs 2000 crores in which branded flavoured Milk market share is of Rs. 650 crores. Mother dairy captures around 27% of total market share of organized sector. In 2016, Mother dairy flavoured Milk sales was of net Rs 200 crore, almost three times the Rs 185 crore sales in 2015

The flavoured Milk consumption in Delhi is 20% of the total consumption in our country. Out of which Mother dairy captures around 60% of the Delhi market.

## **COMPANY PROFILE**

Mother dairy was established in 1974 by NDDDB. It basically deals in following business areas:-

- Milk & Dairy products
  - Milk
  - Cheese
  - Butter
  - Ghee & cream
  - Flavoured Milks
  - Curd
- Vegetable products

Major Competitors of Mother dairy in flavoured Milk segment are Amul, Kwality Wall's & Creambell.

`Mother dairy Flavoured Milks' is also now available in 6 states and two union territories and enjoys 65% to 67% market share in Delhi.

The `Mother dairy Ice-cream' strategy bordered on its punch line, `Real milk, Real ice-cream'

`Mother dairy Flavoured Milks' were smoother and creamier than its competitors as fat used was pure milk, which was more expensive and not vegetable fat.

NDDDB, which has corporate offices, plans to make these products "available all over the country".

The federation has a distribution network comprising more than 65 wholesale dealers and over 500 retail outlets in NCR region.

## FLAVOURED MILK PRODUCTS OF MOTHER DAIRY

Real milk. Abundant toppings. And an utterly delectable taste. That's the secret of Mother Dairy's fascinating range of rich and creamy ice creams - a lip-smacking array of ice candies, milk lollies, bars, cones, real fruit ice creams, Sundaes, low fat desserts and take-home packs.

Mother Dairy ice creams are now being enjoyed across the markets of Delhi/ NCR, Mumbai, Kolkata, Punjab, Rajasthan, UP & Uttaranchal.

**CHILLZ™**

&



ICE CREAMS

**...experience indulgence  
at its delicious best!**





**CHILLZ™**  
bars & cones

Bars      Cones

Get a taste of the cool side of life with Chillz. Bite into these mouth-watering rich and creamy bars and cones for that perfect treat.

Truly **Summertime is Chillz time!!!**

► Bars



**Chocolate Treat**

# CHILLZ™ Cones

**High on Coffee**

**Choco Bliss**

**Choco Vanilla**

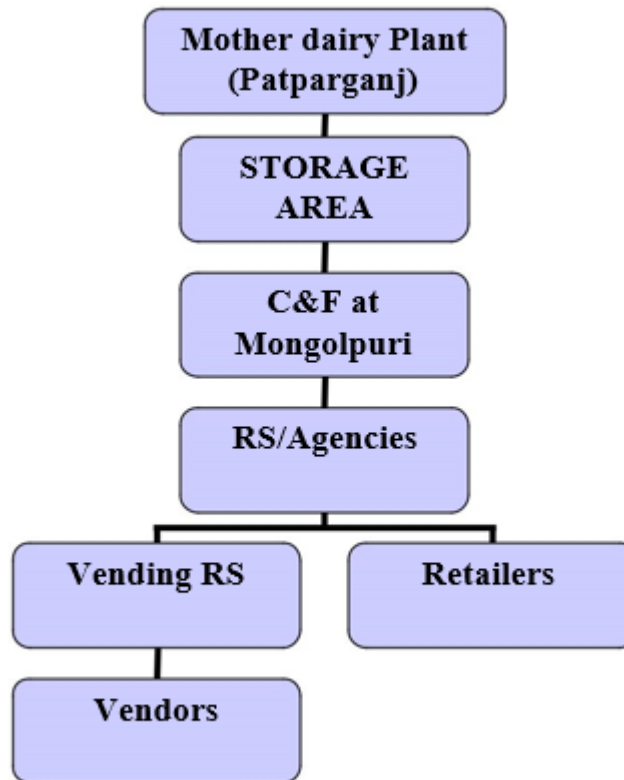
**Butterscotch**

**Mini Choco Bliss**

A crisp waffle cone filled with rich, creamy ice cream, topped with smooth chocolate sauce or brimming over with nuts. It comes in four yummy flavours: Chocolate, Choco Vanilla, Coffee and Butter Scotch. Also enjoy the Mini Chocolate cone in the in-between times!



## DISTRIBUTION NETWORK



Mother dairy manufactures its flavoured Milk in Patparganj plant. It supplies raw material like milk from different places of NCR, Haryana, and U.P to Patparganj. When flavoured Milk is fully prepared and packed than its transferred to Storage area. The C&F agents store it in big deep freezer rooms. From C&F the flavoured Milk is delivered to different distributors. And from distributors the flavoured Milk is delivered to different retailers and sub retailers. And finally the consumers purchased from the retailers.

## **INTRODUCTION TO THE PROBLEM**

Retailers are the one of the most important member of the distribution channel. They are the people who provides product to the final consumers. As they have the direct touch with the consumers, so they can play a vital role for influencing the buyers' decisions. The company should try to provide services to the retailers in such a way that they can suffice them.



## **RATIONALE & SCOPE**

### **RATIONALE:**

The market share of Mother Dairy flavoured Milk is increased by three times in just Four years. The total consumption of Mother dairy Ice- Cream in terms of rupees is Rs. 30,00,000 per month in one of the agencies of Mother dairy in Delhi. The Mother dairy Flavoured Milk captures around 60% of the total market share in Delhi. There is an immense opportunity for the company to extend their market share. The project will create the opportunity for the company to capture the market share.

### **SCOPE:**

The scope of study is to understand the problem faced by the company while increasing the retail outlets. With the help of this project NDDDB can increase their outlets by analysing the feedback given by the interviewer (including existing and non-existing outlets). NDDDB can also analyse the pricing strategy followed by the rivals. By this study company will get the information about current competitive position of the Mother dairy flavoured Milk in the market.

## **OBJECTIVES**

### **PRIMARY OBJECTIVES:**

- To analyse the market size of flavoured Milk.
- To find out the factors responsible for the increase in the number of outlets of Mother dairy flavoured Milk.

### **SECONDARY OBJECTIVES:**

- To analyse the retailers' perception about Mother dairy flavoured Milk.
- To find out the competitive edge of the company over the competitors.
- To study the consumer preference about different flavoured Milk companies.
- To study distribution channel.



## LITRATURE REVIEW

Retailing includes all the activities involved in selling goods or services directly to final consumers for personal, non-business use. A retailer or retail store is any business enterprise whose sales volume comes primarily from retailing.

Any organization selling to final consumers – whether it is a manufacturer, wholesaler, or retailer- is doing retailing. It does not matter how the goods or services are sold or where they are sold. Consumers today can shop for goods and services in a wide variety of retail organizations. There are store retailers, non-store retailers, and retailer's organization. Perhaps the best-known type of retailers is the department store. Retail-store types pass through stages of growth and decline that can be described as the retail life cycle. A type emerges, enjoys a period of acceleration growth, reaches maturity, and then declines. Older retail forms took many years to reach maturity; newer reach maturity, whereas warehouse retail outlets reached maturity in 10 years. The most important retail-store types are:

- **Speciality store:** Narrow product line with a deep assortment.
- **Departmental store:** Several product lines with each line operated as a separate department managed by specialist buyers.
- **Supermarket:** Relatively large, low-margin, high volume, self-service operation designed to serve total needs for food, and household products.

The wheel-of-retailing hypothesis explains one reason that new store types emerge. Conventional retail stores typically increase their services and raise their prices to cover the costs. These higher costs provide an opportunity for new store forms to offer lower prices and less service. New store types meet widely different consumers' preferences for service levels and specific services.

Retailers can position themselves as offering one of the four levels of services:

1. **Self-services:** Self-services is the cornerstone of all discounts operation. Many customers are willing to carry out their own locate-compare-select process to save money.
2. **Self-selection:** Customers find their own goods, although they can ask for assistance.

3. **Limited services:** These retailers carry more shopping goods, and customers need more information and assistance. The stores also offer services such as credit and merchandise-return privileges.
4. **Full services:** Salespeople are ready to assist in every phase of the locate-compare-select process. Customers who like to be waited on prefer this type of store. The high staffing cost, along with the higher proportion of specialty goods and slower-moving items and the many services, resulted in high-cost retailing.
5. **Corporate retailing:** Although many retail stores are independently owned, an increasing number are part of some form of corporate retailing. Corporate retail organizations achieve economies of scale, greater purchasing power, wider brand recognition, and better-trained employees. The major types of corporate retailing—corporate chain stores, voluntary chains, retailer cooperatives, franchises, and merchandising conglomerates.

## **FOUR P'S OF THE PRODUCT**

**PRODUCT:** Mother dairy flavoured Milks has wide range of variety that consists of more than hundred flavours available in the market including 20 new flavours, which is introduced in this summer. As flavoured Milk is an impulsive purchase item so, its sale depends mostly on availability and variety. Mother dairy is efficient enough to provide the variety make the flavoured Milk widely available, especially in north India.

**PRICE:** The price of Mother dairy flavoured Milk is very less compared to its competitors. In novelty item the price of the flavours varies from Rs.2 to Rs.22. The pricing strategy of Mother dairy is, to target each income group of the society. The cheaper price of flavoured Milk is meant for targeting the people with low income. Along with the low income group Amul is also targeting medium as well as the premium segment by providing different flavours at different prices.

**PLACE:** The distribution of the flavoured Milk in Delhi is done through exclusive Mother dairy outlets situated in various locations. In Delhi, Mother Dairy has eleven distributors who supply flavoured Milk to more than 3000 outlets. These eleven distributors are responsible for their respective areas.

**PROMOTION:** Mother Dairy is a well-established brand name of NDDB. For promotion of the flavoured Milk the company gives advertisement in newspaper and magazines. It gives glow sign board to every retailers and also makes wall paintings on their request. Mother dairy uses their punch line --- India Jama Denge for the promotion.

## **RESEARCH METHODOLOGY**

### **RESEARCH DESIGN:**

The research design prepared with great care keeping in mind the research objective.

### **RESEARCH APPROACH:**

In part A, the research was conducted by visiting to the various non existing outlets of Mother Dairy and asking them about Mother Dairy flavoured Milk and whether they would like to keep Mother Dairy flavoured Milk. I also told them about the Mother Dairy's promotional scheme and various superseding factors. In part B, the research was conducted by visiting the various existing Mother Dairy's outlets and to know about the replacement of old and unsold stock and services of Mother dairy.

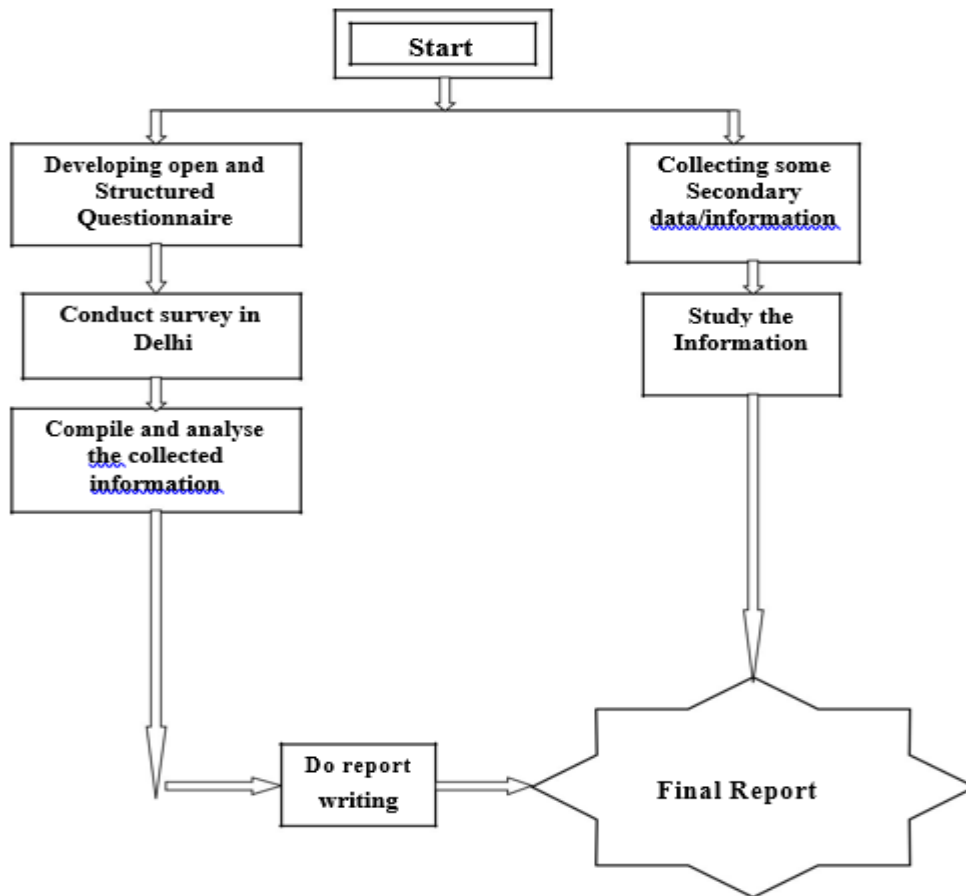
### **RESEARCH INSTRUMENTS:**

The primary data collected for this study was done through detailed market survey by means of unstructured interaction. The secondary data is collected through Internets, Material provided by company, etc.

### **SAMPLE PROCEDURE:**

The procedure adopted for sampling was on the basis of judgmental sampling

# PROJECT ACTIVITY SEQUENCING





## **FINDINGS**

After analysing all the data given by shopkeepers, we found certain key findings that is very important for our project.

1. Most of the retailers are interested for keeping Mother dairy Flavoured Milk.
2. Retailers are not satisfied with the services provided by the company.
3. Most of the retailers like to keep deep freezers on instalment basis and security basis.
4. Cone and Party packs are sold the most.
5. The sale of flavoured Milk is higher in the evening.
6. The all varieties of flavours are not available on regular basis.
7. Prices of Mother dairy flavoured Milk are almost as per customers' need.
8. Margin in Mother dairy flavoured Milk is very high.
9. People were highly satisfied with product quality of Mother dairy.
10. Although Mother Dairy has opened numerous outlets, it has seen that distributors are finding it difficult to deliver the supplies in the stipulated time leading to retailer inconvenience.
11. It was found that many deep freezers had developed technical snags and Service Person was late in rectifying them. This created a negative rapport in mind of the retailers.
12. Retailers are unsatisfied with the replacement of unsold Mother Dairy flavoured Milk.
13. Distributors could not provide all type of varieties because of less stock.
14. Other companies are providing deep freezers at law security which attract the retailers.



## **RECOMMENDATION**

- 1) Relationship with retailers and company should be kept under a close watch.
- 2) Salesmen should be given the responsibility to handle the retailer's grievances.
- 3) Orders by the retailers should be executed in a proper manner to avoid irregular availability.
- 4) Low security and easy instalment should be given on deep freezer.
- 5) Promotion activities should take into consideration in two different ways (a) Company should associate themselves with social events, (b) Company should use electronic as well as print media for their advertisement.
- 6) Company should give special offers to retailers frequently.
- 7) Company should expand their business throughout the small towns.
- 8) Company should open exclusive Mother Dairy parlours and outlets in big shopping malls for promotion in higher segment.
- 9) There have been a lot of complaints about replacement policy of Mother dairy. Mother Dairy should try to improve its replacement policy and make it somewhat liberal.
- 10) Innovative schemes like Privilege cards giving discount on successive purchases may be introduced to make a customer brand loyal to Mother Dairy.

## QUESTIONNAIRE (For New Outlets)

Dear Customer,

This survey is made for the purpose of my Summer Project and doesn't have any commercial impact.

### CONSUMER DETAILS:

Name:

Address:

Contact Number:

1. Have you ever thought of expansion of your business in terms of ice -cream?

Yes  No

If no why \_\_\_\_\_

2. If yes, which brand would you like to go for?

i) Mother dairy  ii) Kwality  iii) Amul  iv) Cream Bell

3. Rank according to your preference.

	High	Moderate	Low
Mother dairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kwality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Amul	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cream Bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. What is your preference about following companies on the given qualities? (1-5)

	Mother dairy	Amul	Kwality	Cream Bell
i) Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii) Margin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iii) Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv) Variety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v) Packaging	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi) Availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii) Taste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
viii) Company scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ix) Service                               

5. Would you like to have deep freezer provided by the company?

Yes                     No

6. If No, why \_\_\_\_\_?

7. If yes, then which mode of payment are you looking for?

i)        Cash down payment

ii)       Instalment

8. Would you like to have retailership on?

i)        Trial basis

ii)       Long term

iii)      Short term

Date:

Signature: \_\_\_\_\_

## (For Existing Outlets)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact No. \_\_\_\_\_

Dear Customer,

This survey is made for the purpose of my Summer Project and doesn't have any commercial impact.

1. Do you keep mother dairy flavoured Milk?

- a. Yes                      b. No

If no than why \_\_\_\_\_?

2. How long you are keeping Mother dairy flavoured Milk?

- a. Less than six months  
b. 6 to 12 months  
c. 12 to 18 months  
d. more than 18 months

3. What is the sales turnover from day one?

- a. 1<sup>st</sup> 6<sup>th</sup> months \_\_\_\_\_  
b. between 6 to 1 year \_\_\_\_\_  
c. 1 to 2 year \_\_\_\_\_  
d. 2 to 3 years \_\_\_\_\_

4. Form where you brought your deep freeze?

- a. from Mother dairy \_\_\_\_\_  
b. other source ( Please specify) \_\_\_\_\_

5. On which basis you procured your Deep Freezer?

- a. Cash down payment: \_\_\_\_\_  
b. Instalment: \_\_\_\_\_  
c. Other: \_\_\_\_\_

6. How many brands you keep?

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7. How many customers are looking for Mother dairy Flavoured Milk (percentage)?

1 - 10  10 - 20  20 - 30  30 - 40  40 and above

8. According to which brand of Flavoured Milk has maximum sales?

Brand	Rank	Reason
Mother dairy		
Kwality wall's		
Amul		
Cream bell		

9. According to you which flavour of Ice-cream has maximum sales?

Flavour (Rank them at a scale of 1 - 5)

- a. Vanilla
- b. Strawberry
- c. Chocolate
- d. Butter Scotch
- e. Mango/Pineapple/Orange
- f. Kaju/Pista/Kessar
- g. Shahi Nazrana
- h. Fruit 'N' Nut

Do you feel colour of the Flavoured Milk affect its demand?  Yes  No

If yes, then which colour \_\_\_\_\_?

10. Which flavours are mostly preferred under Family/Party Pack?

---

11. Which pack of Flavoured Milk is most sold? (Rank at a scale of 1 - 5)

- a. Cups
- b. Cone
- c. Fundoo
- d. Candies/Bar
- e. Family/Party Pack

12. Please grade different companies on the following attributes in context of flavoured Milks. Scale on the following basis: (5 as Very good and 1 as Very Poor)

Very

Good

Good

Normal

Poor

Attributes	Brand name			
	Amul	Kwality Walls	Mother dairy	Cream Bell
Product Quality				
Price				
Service				
Schemes				
Advertising				
Brand Image				
Flavours				
Packing				
<b>Total</b>				

13. At which period of time customers come in bulk?

Morning  Afternoon  Evening  Night

14. Any suggestion or observation to bring more sales of Mother dairy Flavoured Milk?

\_\_\_\_\_



Date:

\_\_\_\_\_

Signature:

## **CONCLUSION**

There is an ample scope for flavoured Milk making companies do progress in this lush green environment. The market size is increasing day by day and the demand for new flavours are arising. The companies like HLL, Cream Bell, Vadilal, and Amul are trying to capture more market share with their new ideas and plans. As per Mother Dairy concerns the company should become liberal on his policies. Mother dairy market share in Delhi is high but for maintaining the growth rate it should give the retailers more facilities for opening of new outlets and running successfully. The company also needs a proper distribution network for availability of products at demand.

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**THANK YOU !!**