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The study on effect of online marketing in purchasing of dairy products

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Abstract

In this paper the study of the impact of online marketing on purchase decisions in dairy industry is discussed. Interest in online shopping increased significantly during last few years. The trade restrictions imposed by COVID-19, forced the market to align with non-traditional options like online marketing. Thus an analysis about various parameters which influence purchase decisions of the buyers was carried out. The study reveals that product features play the most important part in making a favourable customer attitude. Respondents gave more importance to perceived ease of use. Respondents gave second rank to perceived benefits. This is followed by, product features, customer preferences and brand preferences. They gave least importance to social influence.

Keywords: Online marketing, dairy products, consumer preference, innovative products, nutritional qualities, value added products

1. Introduction

During the pandemic, interest in online shopping increased significantly. The outbreak of the Covid-19 pandemic had upended the projections of every business and digital marketing is no exception. The transition to remote work prompted by the social distancing measures has created the need for virtual marketing of brands, customer interactions and basically conducting overall business. The crippling impacts in the early couple of months during the first wave of the pandemic have been long-lasting and potentially permanent in case of certain businesses. Thus, internet has become the medium which has helped people lead a simpler life. This project is to study the attitude of consumers in online marketing of milk and milk products and thereby analyse the potential for marketing. This paper aims to study the potential of online marketing for milk and milk products.

2. Materials and Methods

The study is analytical in nature and tries to analyse the potential of online marketing for milk and milk products in Thrissur Corporation.

2.1 Data Source: Primary data is used for the study.

2.1.1 Sampling Design

2.1.1.1 Selection of Location: The study was conducted in Thrissur municipal corporation, Kerala, India.

2.1.1.2 Selection of respondents: The study was conducted among 100 customers using online platforms using convenient sampling method.

2.2 Method of Data Collection

The primary data was collected using structured interview schedule to be developed based on the objectives of study.

2.2.1 Variables Selected for the Study

2.2.1.1 Dependent Variable: Customer Attitude

2.2.1.2 Independent Variables: Demographic Variables, Age, Gender, Level of Education, Marital Status, Family Income, Perceived Usefulness, Perceived Ease of Use, Customer Preference, Social Influence and Brand Preference.

2.2.2 Statistical Tools Used for the Study

The data collected was analysed using appropriate statistical tools such as Correlation analysis and Regression analysis

2.2.2.1 Correlation Analysis

Correlation analysis in research is a statistical method used to measure the strength of the linear relationship between two variables and compute their association. Correlation analysis calculates the level of change in one variable due to the change in the other. Researchers use correlation analysis to analyse quantitative data collected through research methods like surveys and live polls. They try to identify the relationship, patterns, significant connections, and trends between two variables or datasets. There is a positive correlation between two variables, when an increase in one variable leads to the increase in the other. On the other hand, a negative correlation means that when one variable increases, the other decreases and vice-versa. Correlation between two variables can be either a positive correlation, a negative correlation, or no correlation.

2.2.2.2 Regression Analysis

Regression analysis is a set of statistical methods used for the estimation of relationships between a dependent variable and one or more independent variables. It can be utilized to

assess the strength of the relationship between variables and for modeling the future relationship between them.

2.3 Operational Definitions Used in the industry

Attitude: measure of how a consumer evaluates the marketing efforts Online marketing: online marketing is “efforts to market. Products and services and build customer relationships over the Internet

2.3.1 Consumers

Consumer is any person buys goods or avail any service for a consideration and includes any user except for the person who has availed such services or goods for the purchase of resale or commercial use.

3. Results and Discussion

The collected data regarding various factors that influence the consumer attitude are presented as under.

3.1 Perceived benefits

Perceived benefits refer to an individual's assessment of the value or efficacy of engaging in a health-promoting behavior to decrease risk of disease. If an individual believes that a particular action will reduce susceptibility to a health problem or decrease its seriousness, then he or she is likely to engage in that behavior regardless of objective facts regarding the effectiveness of the action. Here the customer is trying to find a health benefit from consumption of the product.

Table 1: Perceived benefits

Statement	Mean	SD
Dairy industry can be digitalized and made a part of online	4.1	0.80287
Direct to consumer marketing is preferable	3.56	0.81032
New and innovative products can be introduced to consumers	4.0	0.8468
Proper segmentation helps customers to view the available products	3.8	0.814267
Signage displaying special offers should be displayed in windows to entice customers	3.8	0.751833
Tend to buy more when offers are made available	4.32	0.841115
Brand image is built through online activities	3.88	0.828532
If online purchases are made possible there would be a shift to these platforms	4.01	0.837022
Value added products are made popular	3.68	0.81786
Total	3.93	0.71

The table above shows the overall mean and standard deviation of how brand image creates an overall impression in the minds of the customers. The mean obtained from the following statements is 3.93 which is quiet high indicating that the consumers are influenced by the perceived benefits. Most of the customers had given “agree and strongly agree” as their responses which means that display plays an important role in consumers shopping behaviour.

3.2 Brand preference

Brand preference reflects a desire to use a particular company's products or services, even when there are equally priced and equally-available alternatives. In fact, more often than not, brand preference indicates a desire to seek out a specific product or service, even when it requires paying more or expending more effort to obtain it. Brand preference is important to companies because it provides an indicator of their customers' loyalty, the success of their marketing tactics, and the strength of their respective brands.

Table 2: Brand preference

Statement	Mean	SD
The brand image motivates me to buy more	4.1	0.84
Specific brand preferences in case of dairy products	4.05	0.82
Promotional videos create brand awareness and product preference	4.5	0.82
Total	4.21	0.82

According to the table given above it is been observed that the correlation coefficient i.e 0.4213 obtained when correlational analysis was done between brand preference and customer attitude was significant and so it can be

concluded that brand preference plays an important role in the customer attitude

3.3 Social influence

Social influence refers to the way in which individuals change their ideas and actions to meet the demands of a social group, perceived authority, social role or a minority within a group wielding influence over the majority.

Table 3: Social influence

Statement	Mean	SD
The activities of others will influence the customer	3.4	0.560
Product benefits shown on websites influence purchasing decisions	3.1	0.635
Advertising makes shift in attitude	3.25	0.595
Total	3.21	0.5487

The table above shows the mean and standard deviation of the customers attitude responses relating to social influence. The mean is 3.21 which is moderate indicating that sound does not play an important role in the consumers attitude. Most of the consumers have given neutral responses and negative responses so, it means that consumers do not consider it as an important factor which helps in decision or attitude formation

3.4 Product features

Product features are the characteristics of your product. These are the plain facts about the product – its size, weight, and functionality. These are elements that are more important in the eyes of the customer.

Table 4: Product features

Statement	Mean	SD
Nutritional qualities highlighted are important while making purchase decision	4.5	0.59
Value added products (fermented products) are more preferred	4.4	0.62
Customer is fully satisfied with parameters (Colour, taste, spoilage etc.) of the products being sold	4.6	0.54
Total	4.5	0.583

The table above shows the responses given by customers to the above statements relating to product features. The overall mean is 4.5 which is quiet high as most of the customers have given agree and strongly agree as the responses indicating that product features make the product line look more attractive and capable of influencing the customer attitude.

3.5 Perceived ease of use

This refers to the way in which the customer perceives a product or service to convenient to use. It conveys an idea of the image about the product or service

Table 5: Perceived ease of use

Statement	Mean	SD
Online platforms are easy and convenient	4.02	0.77
Various innovative products can be marketed and availed by customers easily	4.11	0.71
The response and feedback will be much better	4.4	0.94
Total	4.17	0.83

The table above shows the the responses relating to the statements about their perceived ease of use. The overall mean is 4.17 which indicates that consumers place colour as an important factor which affects the consumers attitude

3.6 Customer preference

Customer preferences are inclinations, expectations, motivations, dislikes and likes that influence the buying decisions of potential buyers. These are factors that push clients in purchasing various products in the market.

Table 6: Customer preference

Statement	Mean	SD
The value added products preferred are cost effective	4.04	0.80
The products that require better marketing activities are fermented drinks	4.12	0.79
The packaging preferred is LDPE pouches	4.04	0.88
The products should be diet friendly	4.1	0.85
Total	4.05	0.83

The table above shows the responses given by consumers on the questions relating to their preferences. The overall mean is 4.045 which is high indicating that preferences are important factors

3.7 Relationship Analysis

The correlation analysis was conducted between the various independent and dependent variables. The following results were obtained after the analysis which is given in the table below.

Table 7: Relationship Analysis of Customer Attitude and related factors

S. No	Independent Variable	Dependent Variable	Correlation Coefficient	P Value
1	Social influence	Customer Attitude	0.05266	0.728
2	Perceived ease of use	Customer Attitude	0.4213	0.041
3	Product features	Customer Attitude	0.214	0.002
4	Brand preference	Customer Attitude	0.1985	0.001
5	Customer preferences	Customer Attitude	0.4165	0.002
6	Perceived benefits	Customer Attitude	0.71023	0.004

3.8 Regression Analysis of customer attitude and factors affecting

Table 8: Regression Analysis of Customer Attitude and related factors

	Coefficients	Standard Error	P-value
Intercept	1.983424245	0.910285845	0.028599751
Product features	0.432324112	0.152289657	0.002381637
Social influence	0.052651916	0.079054618	0.72182545
Perceived ease of use	0.212778497	0.071037856	0.001628348
Perceived benefits	0.297057653	0.053612785	0.002367128
Brand preference	0.220564987	0.037721458	0.003218629
Customer preferences	0.416589361	0.156348547	0.002576943

After running a multiple regression analysis it has been observed that except sound all other variables are significant, rest all variables have p value less than 0.05. Thus, the regression equation of influencing factors is

$$Y=1.983+0.42X_1+0.41X_2+0.29X_3+0.21X_4+0.22X_5+0.41X_6$$

The regression equation indicates that product features, social influence, perceived ease of use, perceived benefits, brand preferences and customer preferences are the factors which are positively related with frequency of customer attitude.

3.9 Ranking analysis of different factors affecting customer attitude

Given below is the ranking analysis of different factors affecting customer attitude

Towards online platforms ranked according to their choices.

From the above table the following can be interpreted: Respondents give more importance (1st rank) to perceived ease of use. Respondents give second rank to perceived benefits. This is followed by, product features, customer preferences and brand preferences. They give least importance to social influence.

Table 9: Ranking Analysis of various factors affecting customer attitude

Factors	1	2	3	4	5	6	Total	Mean	Rank
Social Influence	24	40	60	72	44	28	268	44.66	6
Perceived ease of use	144	140	108	33	20	0	445	74.16	2
Product features	222	125	100	39	26	0	512	85.31	1
Perceived benefits	126	105	56	60	48	0	395	65.83	3
Brand preferences	30	40	76	3	26	34	217	36.16	5
Customer preferences	54	50	0	63	42	38	272	45.33	4

4. Conclusion

From the results of the research it has been found that the product features play the most important part in making a favourable customer attitude. We should know about the price point of the product, competition level of the product, and possible changes in price and competition that affect our market. These help to further improve our features. One additional element included in marketing strategy should be to be unique in the market. We can target the category of dairy products or we may separate two distinct products with similar names.

The focus of our dairy products should be to impress the distributor (third parties) as well to order more of our product. Customers will place more trust in your product based on their good rapport with your distributor and the fact that the distributor is willing to place an order. This will lead to the distributor making more exciting orders, all designed to increase the sales of dairy product.

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