

Comparison of Government vs. Private Milk Brands: Pricing, Quality, Service and Trust – Evidence from Telangana

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Abstract

The Indian dairy industry represents a critical component of rural livelihoods and urban nutrition. Cooperative dairies such as Vijaya Dairy operate with objectives of farmer welfare and affordability, while private dairy brands focus on branding, innovation, and consumer experience. This study compares government and private milk brands in Telangana with respect to pricing, quality, service, and consumer trust. A descriptive research design was adopted using primary data collected from 122 consumers through a structured questionnaire. Statistical tools such as percentage analysis and chi-square tests were used for interpretation. Results indicate that private brands outperform government brands in taste consistency, freshness perception, packaging, and customer loyalty, whereas government brands retain an advantage in price affordability and ethical trust. The study highlights a shift in consumer behavior from price-driven to experience-driven choices. The findings suggest that government dairies must modernize operations and marketing while preserving cooperative values to remain competitive.

Keywords: Dairy industry, cooperative brands, private brands, consumer perception, trust, Telangana.

1. Introduction

The dairy sector plays a vital role in India's economy, contributing significantly to agricultural GDP and rural employment. India is the world's largest milk producer, driven largely by smallholder farmers integrated into cooperative systems. The White Revolution transformed India's dairy structure through cooperative models such as AMUL, Nandini, Aavin, and Vijaya Dairy.

In Telangana, Vijaya Dairy (TGDDCFL) functions as a government cooperative aimed at providing affordable milk while ensuring fair remuneration to farmers. However, increased competition from private brands such as Heritage, Jersey, Amul, and Arokya has altered market dynamics. These private brands emphasize modern packaging, branding, and diversified products, influencing younger and urban consumers.

This study seeks to analyze how government and private milk brands differ in terms of pricing, quality, service, and trust from the consumer's perspective.

2. Review of Literature

Previous studies reveal that dairy cooperatives enhance milk quality and farmer income through hygienic practices and price stability (Kumar & Birthal, 2013). J-PAL (2015) demonstrated that incentive-based quality control improves milk safety in cooperatives. NDDP reports emphasize the role of cooperatives in stabilizing prices and farmer welfare.

Comparative studies indicate that private dairies are more efficient in marketing, cold-chain logistics, and product diversification (Singh & Pundir, 2016). Business Today (2023) reported that private brands leverage quick-commerce and digital channels more effectively than cooperatives.

Consumer perception research highlights a divide between emotional trust in cooperatives and functional trust in private brands based on convenience and packaging (Pallathadka et al., 2024). These findings establish that while cooperatives enjoy social legitimacy, private brands dominate in experiential attributes.

3. Research Methodology

A descriptive research design was adopted to analyze consumer perceptions of government and private milk brands.

3.1 Sample Design

A total of 122 respondents from urban and semi-urban areas of Telangana were selected using simple random sampling.

3.2 Data Collection

Primary data were collected through a structured questionnaire covering awareness, taste, freshness, packaging, price, trust, and loyalty. Secondary data were sourced from NDDB, FSSAI, and published journals.

3.3 Tools for Analysis

Data were analyzed using percentage analysis and chi-square tests to identify differences in perception between brand types.

4. Results

The findings indicate:

- Awareness levels were high for both government and private brands.
- Private brands scored higher in taste, freshness, and packaging.
- Government brands were perceived as more affordable.
- Customer loyalty was higher for private brands due to consistency and branding.
- Trust in government brands was associated with ethical and social factors rather than product experience.

Chi-square tests showed no statistically significant differences at 5% level, but perceptual trends were evident.

5. Discussion

The study reveals a shift in consumer preference from affordability to quality and experience. While Vijaya Dairy benefits from trust and cooperative identity, it lacks modern packaging, diversified products, and aggressive branding. Private brands have succeeded in emotional positioning and service reliability, translating into higher loyalty.

This suggests that price leadership alone is insufficient for long-term competitiveness. Cooperatives must adopt technology, enhance cold-chain infrastructure, and modernize brand communication without compromising social objectives.

6. Conclusion

The research concludes that both government and private milk brands occupy distinct positions in the market. Government brands symbolize affordability and farmer welfare, while private brands represent quality consistency and innovation. For sustainable competitiveness, Vijaya Dairy must evolve from being a trusted brand to a preferred brand by improving packaging, quality consistency, and consumer engagement.

The study contributes to understanding the evolving dairy market in India and provides strategic insights for cooperative modernization.

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