

An overview of marketing channels of aavin milk

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Abstract -

The cooperative milk marketing societies plays main role in milk producing industries. Especially in TamilNadu, Aavin's working changed many people's life style. Their standard of living is getting improved because of the producing milk and the procurement is made by Aavin from rural areas. The people in rural area enjoy the benefits and get reasonable price for the milk they are producing. This dairy industry procures milk and supply to public in a reasonable cost. This article discusses about the supply chain of Aavin. The strategies for supplying milk through different channels are the main thing in this paper. And also gives the idea or view on the need and the importance of selecting marketing channels

Key Words: Milk, Marketing, Channel, Cooperative society, Strategies, supply, pricing.

1.INTRODUCTION

Marketing Channels can be said to be as the set of people, activities and the intermediary organisations that play an important role in transferring the title of the goods from the producer or manufacturer to ultimate consumers. Basically, they are the various channels or platforms through which the products reach to the consumers or the end-users. They are also known as the distribution channels.

This distribution channels helps all the aavin to develop in a greater extent. So this helps them to get more sales returns out of their product supplied society. A careful selection of distribution channels paves way for multi dimensional development in quality and quantity of sales of milk in market. So milk marketing channels differ according to the nature, quality and geographical location of the people .

In this topic confer about how marketing of milk is done by Aavin. And how effective the marketing management of Aavin is happening in selection of proper distribution channels and how the strategies of Aavin are achieved by the proper planning in selection of channels. Planning for proper channel of distribution depends on certain factors influencing in distribution of milk. Factors that are considered in selection of channels are quality, nature, geographical location, price etc. When a milk producers chooses many distribution channels, such as selling products online and through a retailer, the channels should not conflict with one another. Aavin should plan so one channel doesn't make ineffective the other.

Distribution channels are the main activity to reach the customers. The following are the steps to improve the marketing plan:

- ✓ Evaluating the end-users to buy
- ✓ Matching the end-users needs to a distribution strategy
- ✓ Selecting the best channel type

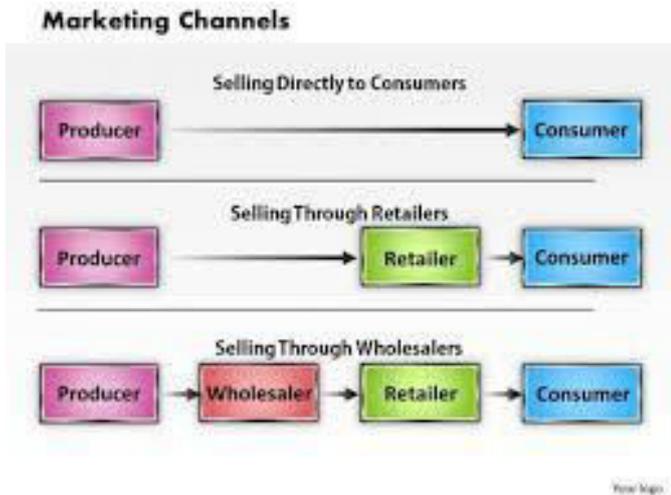
2. Need for selection of marketing channel

- i) In order to supply milk to the place to meet the actual demand.
- ii) For increasing sales turn over.
- iii) To get profit for the milk cooperative society.
- iv) To encourage the members in cooperative milk society by getting reasonable price for the milk they are supplying.
- v) To increase procurement of milk from milk producers

vi) To encourage farmers to develop fodders, cattle and provide them awareness about profit earned which is the alternative for farming.

3. Types of Marketing Channels

Fig -1: Figure



i) Manufacturer to Consumer

This is one of the most simple and effortless types of the Marketing Channels as the aavin milk reach to the consumers directly from. It works as cost-effective and profitable for both the customer and aavin milk producers society involved as there is no further involvement of the middlemen such as retailer, wholesalers, and agents that charge their commission increasing the overall price of the milk and milk product. So government takes initiative to starts milk parlors as a direct selling of milk to public by appointing sales representative. Profit earned by the sales point of milk parlor is enjoyed by milk cooperative society itself.

ii) Manufacturer to Retailer to Consumer

This type of Marketing Channels is one of the highly adopted and preferred channels in the milk industry. The few milk sellers or dealers or agents who get license by depositing money and cooperative milk producers union to the sell aavin milk by procuring milk from aavin milk producers cooperative society supply directly to consumer. These agents also make door delivery also to consumers every day with milk cards or getting money monthly basis from customer who buy milk regularly.

Example of this marketing channel : The various items of milk from the cooperative producers union that are displayed and sold through the local retailers are marketed and distributed through the above-mentioned channel.. The milk supplier of retail booth owners regularly visit or place order with aavin milk cooperative society to purchase the items and then come and sell to their local target market.

iii) Manufacturer to Wholesaler to Consumer

This category of Marketing Channel is usually adopted by the consumers who are looking out for bulk purchases of the aavin milk and procuring the same from the agents works out quite easy and cost effective for them owing to the economies of scale factor plus no involvement of other intermediaries. The wholesaler the consumer such as service cost or sales force cost making the items available to the consumer at cheaper rates. The customers like hotel owners, bakery and some others procure bulk for development of their business.

iv) Manufacturer to Agent to Wholesaler to Retailer to Consumer

This type of Marketing Channel involves more than one middlemen or intermediary making the goods reach to the consumers. The agents or the middlemen helps and assists with the sale of the goods and charge their commission from the manufacturer. They are quite helpful when the goods need to reach the consumers in a short span of time. Marketing channel decisions are the most important decisions by management. One additional level if added to the distribution channel, can increase costs like anything. Because to give margins to the distribution channel so that they work for you. Here milk agents procure bulk from cooperative society and sell it to the retail shops in residential area in particular or pazhamudir nilayam in target market. These retailers sell milk for more than the market price to customer who come directly to shop. Even they deliver milk to customer in their door step regularly in particular area.

4.Importance of Marketing Channels

i) Information provider

The first and foremost aspect in the list of the importance of the milk marketing channels is that the middlemen such as agents provide the vital and crucial market information to the aavin milk cooperative society that helps them to plan and other related milk marketing business strategies accordingly. Developments in the aavin milk market such as the change in the preferences in the taste of the consumer, entry of new milk in the market, shift in the government policies, and the various pricing points of the other milk producer are given to the aavin milk producers union.

ii) Stability of the price

Yet another important function that is performed by the middlemen is that they maintain the stability of price by absorbing the increment along with keeping the overheads cost low and charge the consumers with the old price of the milk. Their main motive behind this strategy is to have a strong foothold in the target market due to the completion from the other middlemen in the milk marketing.

iii) Promotion

Another aspect in the importance of Aavin Marketing Channels is that the middlemen perform the function of promoting the milk of the milk producers society by planning and designing their own sales incentive and customer loyalty programs to attain their sales targets and increased market area. This ultimately works for the benefit of the milk industry and all the parties involved in the process.

iv) Pricing strategy

As the middlemen and the agents are at the sales field on a daily basis and have a thorough knowledge about the marketing dynamics and the customer preferences, Aavin ask for their suggestion for deciding on the pricing of aavin milk. The pricing and the features of the products are also customized for the different set of target markets and consumers along with the channel of distribution.

v) Matching the demand and supply of the products

The main and significant function of the middlemen and commission agents in the aavin milk marketing channels is to match the demand and supply of the products in the target market. They should provide the milk producers cooperative society with the crucial information on how to assemble the goods to match the taste and preferences of the targeted consumers that result in the ease of sales and attainment of the sales objectives of the aavin milk producers union.

5.Milk distribution through channels

Milk supplied by aavin is done by various channels is compared in number of distributors for 6 years. It shows how distribution of aavin milk had improved in past 5 years till the current year. Distribution centers in 2019 -20 are doubled compared with 2013-14 by Milk Whole Sale Distributors and Parlours of aavin. Distribution of aavin milk through Milk Consumers Cooperative Societies remained same till now from 2013-14. But through Franchise Outlets Retailers have increased triple times grown in supply of aavin milk.

Table – 1

Showing milk distribution through various channels for past six years

Milk supplied through Channels	2014	2015	2016	2017	2018	2019
Parlours of aavin	93	93	114	147	221	227
Milk Whole Sale Distributors	47	71	71	83	84	84
Milk Consumers, Cooperative Societies	49	49	49	49	49	49
Franchise Outlets Retail	184	202	451	556	594	649

6. Conclusion

In case of aavin milk , the milk producers require the well associated and properly planned selling channels so that the products reach to the end users in a convenient and easy manner. Aavin milk distribution improving day by day in drastic manner all over Tamil nadu. So the milk producers can get reasonable price for the milk from government. Government have started many aavin milk supply point or parlour. Which help to increase economical development ,employment opportunity, and also new entrepreneurs enter in development of dairy industry in future.

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