



# CONSUMER BEHAVIOR - FINAL PROJECT: AAVIN

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# About Aavin

- Cooperative organization
- Tamil Nadu farmers' association
- Founded: 1958
- Objectives of the organization:
  - Provide dairy farmers with a stable means of generating revenue by sale of milk and dairy products
  - Provide the customers/consumers with quality milk and dairy products, at a nominal rate
- Recent effort by Aavin to face private competition [1]



# Description of Interviewees: Customers

- Qualitative interviews
- 25 customers from target segment of Aavin
- Target group: People who use the brand
  - Housewives,
  - Working women with families
  - Mothers
  - Men of the household
- Place: Chennai - areas like Taramani, Velachery, Adyar, KK Nagar
- Topics covered : perception of the brand, emotions associated with the brand.



# Description of Interviewees: Brand personnel

- Mr.Rameshkumar
- General Manager, Aavin
- With Aavin for over 10 years.
- Mr. Manoj,
- DGM, Marketing
- Alumni of NIRMA
- With Aavin for 1.5 years
- Mr. Pankaj,
- AGM, Marketing
- Alumni of NIRMA
- With Aavin for 18 months-posted in Trichy, Chennai



# Interview Guide: Customers

1. Since how many years are you using Aavin products?
2. Which type of variant are you buying? How much is volume consumption per day?
3. Reasons for buying Aavin?
4. What is the purchase point for the Aavin packaged milk? Would you like to change it in future?
5. Are you aware of other products of Aavin?
6. From where do you hear most about the activities of Aavin?
7. If you had to use one word to describe Aavin what would it be? (One word identifier)
8. Would you consider Aavin as an essential part of your household?



# Interview Guide: Brand Personnel

- 1) Please Introduce yourself and speak a few words on Aavin
- 2) If Aavin was a person, what would the characteristics of the brand be?
- 3) Who is your typical customer? What are their Demographics, where can you find them?
- 4) Describe in 5 words how you think customers currently perceive Aavin
- 5) Why do you think your customers are attracted to the characteristics you described above?
- 6) What are some strategies that you use to reach out to each of your customer segments?
- 7) Do you think the strategies you are using are effective? What has been the consumer feedback?



# Patterns and Insights from the consumer interviews

## EXCERPTS FROM THE INTERVIEW

- “...have been a customer of the brand from childhood” - **Long term association**
- “...its associated with the Government..” - **Trust Factor**
- “There are different colour red, blue, brown so we know the variants.” - **Colour as an identifier**
- “...brand is a part of our family” - **Loyalty, sense of belonging**
- Every customer buys milk daily with a minimum volume of 500ml. -**Physiological need**
- “...essential part of my life” - **Brand as companion**
- “only milk brand in Tamil Nadu..” - **Ubiquitous**





# Patterns and Insights from the customer interviews

- **Trust...Quality...** are the major drivers for consumers to get associated with Aavin
- Many of the regular long time users considered no substitute to the brand
- Consumer awareness was restricted only to palgova and ghee. Unaware of other products.
- Some issues and certain complaints were raised mainly regarding packaging
- Another insight from consumer insights in the city has increased availability in recent years.
- Some consumers raised issues of tampering of dates on the milk
- Most consumers have no clue about the entire range of products offered by Aavin
- Most of the awareness about brand came from family and surroundings. Media and New Outlets doesn't have deep penetration.



# Patterns and Insights from the brand

EXCERPTS FROM THE INTERVIEW

## interviews

- “Trust... Quality... Brand Recognition... Happy time with family... Pricing” - DGM
- “Pure... Quality... Traditional... Trustworthy... Available” - AGM
- “In people’s perception it is like, Aavin means purity and Aavin means quality” - AGM
- “Families... older generation... semi-urban areas” - DGM
- “Brand for conservative people and people who follow old ways.. Not positioned in the mind of young generation” - GM
- “Pure... hygienic and healthy... that is our slogan” - GM
- “Best suited for children” - GM
- “Your father might be advocate your mother might be something else but your grandmother, who goes in the morning to take the milk is going to buy the milk for the family” DGM on decision makers
- “In Metros there is a lot of coverage.. In chennai, trichy, Thirunelveli... like that but in small towns we’re not that present” - GM
- “Chennai is the biggest market for us.” - DGM
- “Aavin is the most cheapest milk is available for consumers because we’re giving subsidy to them” - DGM
- “Operation margin is low... Packaging can be better” - AGM



# Patterns and Insights from the brand interviews

<p><b>Defining Target Markets:</b></p> <p>Current TG: Families, Middle-aged people. Decision Maker: Grandmother, mother etc.</p> <p>Future Target: Young people, semi-urban areas</p>	<p><b>Product:</b> Quality, Trustworthy, hygienic, Purity</p> <p><b>Price:</b> Subsidized rate</p> <p><b>Place:</b> Urban localities, Parlours</p> <p><b>Promotions:</b> Parlours, Awareness Campaigns, Radio Jingles</p>	<p><b>Who are their consumers? Characteristics</b></p> <p>Milk, ghee and butter - Females from Semi/Urban TN, Middle aged or Older generation, Families with infants or kids, who want to have a trustworthy product at lower cost.</p>
<p><b>Brand's thought on customer perception:</b></p> <ul style="list-style-type: none"><li>● Purity, Quality, Trustworthy</li><li>● Emotional Attachment</li><li>● Brand of the people, by the people.</li></ul>	<p><b>Are they aligned to the consumer's needs?</b></p> <ul style="list-style-type: none"><li>● Not completely. Need to change for younger consumers - packaging etc</li><li>● Need to increase product visibility.</li></ul>	<p><b>Steps to align themselves to customers:</b></p> <ul style="list-style-type: none"><li>● Change packaging to suit young customers;</li><li>● Increase visibility of products;</li><li>● Positioning - "Aavin is your brand"; Ads - Yogurt, Khoa;</li></ul>



# Comparing the two sides : Identifying Gaps

- Brand recognition driven mostly by trust, quality and price.
- Major share of purchases is for raw milk, with the processed products having little to no consumption especially in the youth segment.
- Even though a good amount of processed variants are available, youth segment is hesitant to try it. Even the ones who tried it are not impressed by the product.
- Low penetration of existing marketing campaigns, brand awareness through word of mouth.
- High awareness in Tamil Nadu, but oblivious to outsiders.
- Premium customers prefer the bigger nationally/internationally established brands, especially for derivative products.
- Lackluster packaging, mostly functions as an indicator of fat%.



# Comparing the two sides: Suggestions

- Improve packaging to target younger generation while also keeping in mind the current TG
- Improve Operating margin to provide better products in terms of appearance
- Improve taste and appearance of derived dairy products
- Increase number of campaigns to emphasize on emotional connect
- Increase visibility of products
- Increase visibility of online services available



# Conclusion

- Learning from the project: Constant need to take customer insights to stay relevant
- Customer feedback and insights can help develop better marketing plans and actions
- Essential to constantly verify the alignment between our perception of brand and that of customers
- Importance of proper segmentation and the need to align strategies to each of these segments.
- Aavin lost touch with consumers because of poor presence at retail points.
- Market share has been aggressively courted by brands like Arokiya, Heritage, Hatsun, Cavin's, Thirumala