

Milk brands in mauritius



**ASSIGN
BUSTER**

Literature review is a critical and an evaluative summary of the themes, issues, and arguments of a specific clearly defined research topic. The aim of this chapter is to review the points of findings about the title ‘ how milk brands affect the purchasing decisions of consumers.’

2. 1 Brief History on Milk Brands in Mauritius

Mauritius imports milk powders from Australia and New Zealand. The milk powders have different brand names such as Farmland, Twin cow and others all depend the countries, which it come from. Once it reaches the home country, it is being channeled to two or more industries in Mauritius for its packaging. Then, it is being sold in bulk to shops, super and hypermarkets. Companies such as Innodis Ltd, ISO Pack Ltd, Eden vale Distributors Ltd, and other pack the different milk brands and distribute them.

However, Mauritius imports milk from other countries because its consumption has rapidly been increased. In addition, importation of milk is becoming necessary for Mauritius due to increase in demand of branded milk by Mauritian clients. Regardless to the price and quantity, quality of the product has always been the main factor for customers in their product selection. “ Branding” plays a key role in the recognition of the product.

The annual consumption of milk in Mauritius is approximately nine millions litres which is equivalent to 12% of the total consumption of different brand names (Hulman et al., 1990). There is a rise in the demand for milk in Mauritius. In 2013, the Mauritian customers are moving towards mostly Farmland due to its quality and advertisement on T. V and radio. In our island, the brand names for milk have substitutes due to the different brand

names available on the market. Thus, if we are not satisfied with a particular milk brand, we always have the choice to opt for another brand. According to AGA Webmaster FOA (2013), the aim is to ensure milk brand marketed in Mauritius are affordable and the emphasis on Human Resources Development (H. R. D) and provision of inputs and services to enhance production and milk brand processing to facilitate marketing in Mauritius.

In the year 1971, the Milk and Meat Project Food and Agriculture Organization (FAO) interpreted that, there is a lack of supplement limited milk production. Furthermore, it was not determined whether it was energy or protein in the supplement that was important, and the basal diet of cane tops and grasses was not evaluated. The FAO has proved that milk yield could be increased significantly by better feeding and management.

2. 2 Elements That Influences Consumers Towards Milk Brand

Through advertising, design and media commentary milk brands have made its place in the market in Mauritius. This leads branding to give an image of the product to consumers to make a purchasing decision. As per Pearce (2013), the elements that influence consumers are as follows:

- NAME
- LOGO
- TASTE
- FONTS
- COLOR SCHEME
- PACKAGE

- GRAPHICS
- SHAPES

These points above shared an advance information about implicit values, ideas, benefits and as well as it developed the personality of the consumers while buying the product.

Consumers face purchasing decisions nearly every day. Hence, they established a willingness to purchase brand products. Consumers purchasing decisions of brand milk have created certain attributes and interactions in recent years using several methods by means of both qualitative and quantitative (Anon, n. d).

2. 3 The Importance Of Branding When Consumers Take Purchasing Decision

According to Kotler (1994), Branding is the best way to establish the authority, niche and credibility and authority of individual and business. In other words branding is not only convenient for business or for repeated customer but also easier for others to filter out the countless generic items. The bargaining power of Mauritius is limited. Recently, in an article published on the website businessmega, it was found that about 10, 000 metric tons of milk powder is imported on a yearly basis depending on demand and consumption, which is less in quantity in comparison to other countries. The “ Executive director of La Trobe ltd, Mr. L. Wong” and “ the supplier of Snowy milk” stated that local distributors have the entire influence over the prices (Anon, 2011).

The importance of branding is as follows:

- Branding communicates information about the business.
- Share all types of information about the product to the market.
- It establishes an identity in order for consumers to recognize the product very well.
- Branding gives consumers the assurance that the entire products they buy are trustful and enable positive responses from the latter.
- Branding gives a strategic position in the market and through this, company eventually leads to increased profits.
- Branding shows an advance details for example:
 - Cost of the products
 - Packaging
 - Marketing and advertising strategies
 - Distribution channels and so on.

“ Branding” is the powerful factor in marketing, which helps consumers in taking purchasing decision. When the client is satisfied with a given branded product, they tend to revert to the same brand supplier, (Badgujar (Roll No. 04)).

2. 4 Brand Awareness To Consumers

Donald (2010) defined ‘ brand awareness’ as the customers’ ability to recall and recognize the brand under different conditions and link to the brand name, logo, and so on to certain associations in memory. That is brand awareness encompasses both brand recognition and brand recall. It helps the customers to understand to which product or service category the particular brand belongs and what products and services are sold under the

brand name. It also ensures that customers know which of their needs are satisfied by the brand through its products.

Brand awareness is of critical importance since customers will not consider a particular brand if they are not aware of it (Donald, 2010). However, Epstein (1977) argued that human and brand personality traits share the same conceptualization but they differentiate in terms of how they are created.

There are three types of brand awareness, which are as follows:

Top-of-Mind Awareness occurs when the company's brand is what pops into a consumers mind when asked to name brands in a product category. For example, when someone is asked to name a type of facial tissue, the common answer is " Kleenex," which is a top-of-mind brand.

Aided Awareness occurs when a consumer reads a list of brands, and expresses familiarity with company's brand only after they hear or see it as a type of memory aide.

Strategic Awareness occurs when the company's brand is not only top-of-mind to consumers, but also has distinctive qualities that stick out to consumers as making it better than the other brands in your market.

These three types of awareness above inform consumers about some objectives that a good brand of milk product will achieve include:

- Motivates the buyers
- Concretes user loyalty
- Delivers the message clearly

- Connects the consumers target prospects emotionally
- Confirms the consumers credibility

In Mauritius, almost everyone consumes branded milk such as “ Anchor”, “ Farmland”, Snowy, Red Cow, and others on a daily basis.

2. 5 Milk Brand Production And Milk Pricing

Branding can result in higher sales of other types and varieties of product associated with a specific branded product. Branding should also analyze by more than the difference between the actual cost of a product and its selling price and they represent the sum of all valuable qualities of a product to the consumer. The branding concept here is taking into account complexity of human behavior and benefit of consumers. Our country import milk from various countries that increase the consumption and the productivity of dairy product in Mauritius.

Other countries such as Europe, Australia, and New Zealand and so on are also the exporters for Mauritius.

Europe produces milk, New Zealand produces ‘ Red Cow’ and Australia produces ‘ Snowy milk’, ‘ Farmland’, Dolly’ and ‘ Anchor’.

Furthermore, the price hike of imported milk is forcing people to diminish consumption. Multiple actors show the situation will not improve and local production is the only way out. 80% of the milk consumed in Mauritius comes from Australia and New Zealand by Olivier Masson, 2 July 2007 Port Louis.

According to Lake (n. d), branding is one's identity in the marketplace. She stated that, it is crucial to realize that packaging always either has a negative or positive influence on the buyer. A negative impression can detour a potential client, just like a positive reaction can influence a customer to buy. She also said that one should pay special attention to packaging when a " new" brand is launch. This is because many people often do not pay close attention to the packaging if it is a popular brand.

How can you package your brand so that it is an integral part of your business and represents a strong identity? Keep in mind that we are not speaking that packaging has only a box, which contains a product, but as a medium, that reflects your company's brand and image. The following common business tools represent packaging:

- Business cards and stationery
- Web site
- Answering system
- Email address

" Food packaging is packaging for food. It requires protection, tampering resistance, and special physical, chemical, or biological needs. Milk plays an important role in people's goal of eating healthily and having an active lifestyle. Milk manufacturers therefore are riding this trend by introducing milk brands that are aimed at health-conscious people." Extracted from the ' Inspiration Hive, Daily Inspiration on July 9, 2012'.

With the statement, packaging is a way of formulating a feasible marketing strategy for milk brand. The product's presentation leads to a competitive

pricing policy and a well-planned advertising campaign will convince consumers to purchase the branded milk.

2. 5. 2 Preservation

In Mauritius, almost everyone consumes branded milk such as “ Anchor”, “ Farmland”, Snowy, Red Cow, and others on a daily basis. Thus, branded milk imported in bulk from other countries and conservation plays is a major factor during these periods. The process of “ Ultra-high temperature” takes place. That is, milk preserved by UHT processing does not need to refrigerate before opening and has a longer shelf life than milk in ordinary packaging. It is sold unrefrigerated in the UK, Europe, Latin America, and Australia. This process helps trade to take place and fulfill the choice, needs, and wants of consumers.

2. 6 The Objectives Of Brand In Purchasing Decision

Branding is a way to communicate to consumers about the types of products available in the markets. This gives rise to some objectives that should be taken into consideration while dealing with consumers, (Kotler et al. 2001).

The objectives that branding should achieve include:

- Delivers the message clearly
- Confirms consumer’s credibility
- Connects consumer’s target prospects emotionally
- Motivates the buyer
- Concretises user Loyalty

Therefore, to succeed in branding, companies must understand the needs and wants of customers and prospects stated by Kotler and Armstrong, 2008. Therefore, by integrating the company's brand strategies through the company at every point of public contact will lead to an increase in demands of products stated by " Laura Lake."

Taking into consideration the objectives of brand milk in purchasing decisions, marketers also focus in marketing strategies which are; ' promotion and promotion mix', ' tools of promotion', ' advertising' and ' gaining the market share'.

2. 6. 1 Promotion And Promotion Mix

Based on ' Kotler, 1994", promotion is the fourth marketing mix tool. It is the different activities that companies undertake to communicate and promote its products to the target market.

Nowadays, companies hire advertising agencies to develop effective advertisements, sales promotion specialist to design buying-incentive programs, direct marketing specialists to build database and interact with consumers and prospect by mail and telephone, public relation firms to supply product publicity and finally develop corporate image of the brand.

Furthermore, the promotion mix consists of five major tools referring to Kotler, 1994, are as follows:

- Advertising
- Direct marketing
- Sales Promotion

- Public Relation and Publicity
- Personal Selling

McCharty 1982, p. 37, stated that promotion is concerned with telling the target market about the 'right' product. Promotion includes personal selling, mass selling, and sales promotion.

Through the statement of Kotler and McCharty, the aim of purchasing brand milk will lead to an effective measure to make better purchasing decisions.

2. 6. 2 TOOLS OF PROMOTION

The four main tools of promotion are advertising, public relation, direct marketing and sales promotion which convey the message to the consumers.

Advertising includes any paid forms of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. In contrast, public relations focus on building good relations with the company by obtaining favorable unpaid publicity. Direct marketing is any form of personal presentation by the firm's sales force for the purposes of making sales and building customer relationships. Firms use sales promotion to provide short-time incentives to encourage the purchase or sale of products or services, stated by Armstrong and Kilter, 1999.

Tools of promotion encourage and motivate consumers to purchase brand milk along the benefits providing to them.

2. 6. 3 Advertising

According to Armstrong and Kotler (1999), regardless to the budget size, advertising can succeed only if commercials gain attention and communicate well. Good advertising messages are especially important in today's costly and cluttered advertising environment. Two steps are involved:

Firstly, creating effective advertising strategies begins with identifying customer benefits that can be use as advertising appeals.

Secondly, to develop a compelling creative concept that will bring the message to life in a distinctive and memorable way.

Advertising is also the integral part of our social and economic system. In other words, it is a co commitment of modern marketing, which helps the consumers at least in three ways to purchase brand milk, which are as follows:

- It acts as driving force in decision – making.
- It ensures better quality products as reasonable prices.
- It saves good deal of time.

2. 6. 4 Gaining The Market Share

Referring to Kilter, 1988, gaining market share is a key factor in reaching a leadership or number one position in any industry. However, gaining significant share requires careful planning, thoughtful well-executed market strategies, and specific account-by-account practical plans.

Gaining market share is an extremely important component in the promotion of marketing strategies. Thus, it is difficult for a company to obtain loyalty

without gaining high market share. Kilter (1988) also suggested that the five major strategies, which consist of price, new product, service, strength, and quality of marketing, advertising, and sales promotion, are important for a company.

2. 7 Factors Of Brand Positioning

Positioning is how a product appears in relation to other products in the market. It is one of the main factors that affect consumers' perceptions of the milk brand. Brand positioning can help make or break a product depending on the effectiveness of its execution, (subtracted from 'brand by social').

The factors of brand positioning are as follows:

1. Brand Attributes

What the brand delivers through features and benefits to consumers?

2. Consumer Expectations

What consumers expect to receive from the brand?

3. Competitor attributes

What the other brands in the market offer through features and benefits to consumers?

4. Price

Price is an easy quantifiable factor and as well as the prices to compete with other companies.

5. Consumer perceptions

The perceived quality and value of the company's brand in consumer's minds (i. e., does the company's brand offer the cheap solution, the good value for the money solution, the high-end, high-price tag solution and so on), mentioned by Aaker and Keller 1990, Aaker and Keller 1992, Sunde and Brodie 1993, Dacin and Smith 1994, Bottomley and Dolye 1996.

So, this take some time to create a thorough picture of the current market and how the company's brand fits in that market to determine the company's brand's current position. If that is not the position you want for the company's brand, take the necessary steps to change it based on the gaps defined when the company analyzed the five factors above.

2. 8 Milk Production In Mauritius

Currently, in Mauritius we are producing 12% of our local milk production that is 12million liters per year. The government of Mauritius has been encouraging farmers to engage in milk production by providing loans facilities of up to Rs 50, 000 per head (with 5% interest). Through this initiative, local milk production has increased slightly over the past years (local milk production was 2% in 2003). However, there are still several challenges faced by breeders and entrepreneurs in the dairy industry: the main challenge is the high cost of production, mention in 2013 Nawsheen's World, templates: Monday, October 31, 2011.

Mauritius produces a few milk brands, which are as follows:

- Island Dairy

- Ole
- Twin Cows
- Candia
- Maurilait

Over the past years, the cost of production has been continuously increasing mainly because of the price of animal feeds, hence reducing profitability in the business. Milk production will mainly depend on:

- Management of feeding programs
- Calf and heifer management
- Reproductive management of dairy cows
- Milking management

Other husbandry practices related to animal health and welfare, housing, environment and bio-security measures, (2013 Nawsheen's World, templates: Monday, October 31, 2011).

However, as long as local suppliers cannot sustain our domestic market, no other stuff than milk is more linked with the drawbacks of globalization. "80% of the milk consumed in Mauritius comes from New Zealand and Australia", explains Jean-Cyril Monty, the officer in charge of the diversification desk at the Mauritius Chamber of Agriculture. The latter also suggested that, "now that the price has risen by 40% since the beginning of the year 2007, people are diminishing their consumption." This rise in price, which he believes will continue with another 30% by the end of the year, is related to multiple factors outside our control.

2. 8. 1 Findings On Production Of Milk In Mauritius

The quantity of milk produced by the village cows in this experiment (9.2 kg/d during 300 days) is higher than the average production of between 3.5 and 9.2 kg/d reported for the Government stations where cow feed is fed at the rate of 0.5 kg/kg milk. It is also relevant to compare it with the milk production of unsupplemented village cows (4 to 5 kg/d for a lactation period of around 225 days).

Although there were only 23 (about 25%) Creole cows in the study their milk production potential appeared to be equal to the more exotic genotypes with a daily mean of 9.6 and 8.3 kg per head for a 301-day lactation in the Vacoas and Mapou areas respectively. This indicates that under these village conditions the Creole breed has a similar performance to the imported Friesians or their crosses.

Mauritius milk production can sum up in the following ways:

The village cattle breeders own about 11000 females over one year of age. This represents about 65% of the female national herd in this age group.

The cattle are a side-line activity of the family.

There are normally one to two cows per farm

No forage is specifically cultivated for the cows. Forage sources include sugar cane tops, and shrubs and grasses, which are found on roadsides and on common land.

The housing and shelter of the tethered animals is often rudimentary.

Milk is sold to neighbours or to small scale (20 – 25 l/d) milk sellers who then distribute the milk.

There is little or no use of concentrate feeds as supplements to the hand-collected forage.

The cattle are a mixture of the local Creole breed and Friesians. Artificial insemination is subsidised by the Government and is widely used.

Milk production is generally low (1200 – 1500 liters per lactation).

There are generally relatively short lactations (about 225 – 250 days) and long calving intervals (15 – 18 months).

On the basis that the small breeders make a major contribution to national production of fresh milk the work reported here was designed to investigate the extent to which productivity in this sector could be improved.

As far back as 1956, Bennie reported that the local Creole cattle could double their milk production with improved feeding. In 1971, an FAO project on Milk and Meat Production suggested that the most important factor limiting milk production was the supply of a protein concentrate to the cow. This FAO project also demonstrated that milk yield could be increased considerably by better feeding and management. (By A A Boodoo, R Ramjee, B Hulman, F Dolberg* and J B Rome*).

More recently, Dolberg and Rowe (1984), in reviewing experimental work done by the Mauritian Ministry of Agriculture on milk production, concluded

that under local conditions greatest responses in milk production would be expected from protein supplementation.

They referred to the work of Mapoon et al (1977) which showed that ground nut cake was more efficient than either a balanced concentrate feed, or a molasses/urea mixture, as a supplement for milk production; and to that of Gaya et al (1982) who reported that supplementation with cottonseed cake increased milk production more effectively than the formulated concentrate Acowfeed®. In fact, similar increases in milk production were achieved with about half the level of cotton seed cake as commercial concentrate. A second advantage of cottonseed cake as a supplementary feed is that it requires no mixing.

The project described here was designed to investigate and compare the effect of two types of supplements: the commercial concentrate Acowfeed® and the protein-rich cotton seed cake. In addition to the measurements of milk production the study provided the opportunity to investigate, the nutritive value of the most commonly used feed resources (see Boodoo et al 1990).

Factors Influencing Brand Preference

Kotler (1988) identified affective means of increasing market share as a primary means of achieving competitive advantage in both existing and new customers and stagnant markets.

Brand preference is also known as brand adoption. Lalit S. Badgujar (Roll No. 04) stated that, people begin to develop preferences at early ages. Brand

preference represents which brands are preferred under assumptions of equality in price and availability.

Cooper (1993) noted that most innovations come with high risks as most of them failed in the marketplace creating the need for marketers to have a clear understanding of success factors in brand adoption. Theories of adoption have often been used to explain how consumers form references for various goods and services (Rogers, 1995; Tornasky and Klein, 1982; Mason, 1990; Charlotte, 1999). Generally, these theories emphasize on the importance of complexity, compatibility, observability, triability, relative advantage, risk, cost, communicability, divisibility, profitability, social approval, and product characteristics in brand preference (Wee, 2003). The relative importance of each factor depends on the nature of industry under consideration, location, and social characteristics of the consumers of the different brands.

In this study, we have focused on four main factors, which the customer depends upon while selecting the brand, which are as follows:

2. 9. 1 Price

Price is a factor, which the consumer may depend while selecting a brand in any kind of product. Most of the consumers may give first preference to quality than the other factors. However, price can have an influence for the final decision of the consumer. If there are two or more brands, for a particular product, the manufacturers will reduce the price in order to attract the consumer but still the consumer must see the quality provided.

2. 9. 2 Quality

In addition, quality of product is another key factor during product selection. Especially in the case of milk, we should depend upon than any other factors the quality. High quality will give us a good health. Pasteurization will also conduct in order to maintain the quality of the milk. The quality of the milk should be good to attract the customers, Kilter (1988).

2. 9. 3 Services

Service is an important factor, which the customer is influenced in the modern market. Placing the orders in the right time at the right place is the part of good servicing.

2. 9. 4 Advertisement

Advertising as a powerful technique of sales promotion has been doing wonders in the domain distribution because it is quite capable of influencing the course of consumption, affecting the process of production, enlarging the exchange and diversify the distribution. That is why it is said that advertising is the arch median lever that motivates the world of commerce and industry. It has the pride of the place in framework of dynamic marketing. The role of advertising in the modern business world can be analyzed from five distinct angles namely manufacturer, intermediaries, sales force, consumers and the society.

The ultimate aim of all marketing efforts is to satisfy the needs of the consumers by transforming the benefits of productive efficiency to the final users.

2. 10 Conclusion

To conclude, this chapter is mainly about branding that is, its importance, concepts, positioning and so on. According to Shimp (2007), consumers represent the starting point for all marketing activities. Therefore, in this part of the project, it is viewed how to communicate with customers and send them feedback about the types of products available in the market. In the literature review, different parts have described in details to make a good analysis and choice for milk brand selection.