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Research paper

Analysing The Millennial and Gen Z Buying Behaviour of Dairy Product with Special Reference to Aavin Products of Tamil Nadu

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Abstract

Growing rapidly, the Indian dairy industry is evolving with changes brought about by shifting consumer preferences, especially among Millennials and Gen Z. This study examines how these younger consumer segments behave when buying dairy products, especially those of Aavin, one of the leading dairy brands in Tamil Nadu. A structured survey was conducted on a sample size of 343 respondents, and regression analysis was used to scrutinize the major determinants for purchasing decisions. Factors such as brand loyalty, price sensitivity, health consciousness, convenience, product variety, and the effects of digital marketing on the choice of consumers have been the subject of the study. Furthermore, it looks into the influence of peer participants and the role of social media, and sustainability concerns in purchase intention. Results show that Millennials and Gen Zers have different preferences, and Gen Zers are more likely to prefer health and innovation-oriented dairy products. This could be useful for Aavin and other dairy brands to improve the product offerings, refine the marketing strategies as per the demand of young consumers, and the environment. This research also brings another outcome of generational consumer behavior in the dairy industry and attests to how strategies can be developed to engage with customers and penetrate a market.

Keywords: *Gen Z; Millennial; Dairy; Economics; Sustainability; Behaviour; Consumer.*

1. Introduction

It seems that marketers and businesses in various industries, including the dairy industry, have made the buying preferences of Millennials and Gen Z the talk of the town. The generations of this century, the ones born from the early 1980s to the late 2010s, are very different, perhaps due to the technological advances, globalization, and a concern for health and sustainability. Aavin is a state-owned co-operative in the dairy market in Tamil Nadu, India. Aavin is beloved for its wide variety of dairy products,, and it has been a staple brand for millions plus consumers (Aydemir et al, 2023).
Aavin needs to understand the buying preferences of Millennials and Gen Z to remain competitive in the market. Also, these groups greatly influence the consumption and market trends due to their purchasing power and behaviour. Affordability, quality, taste, health consciousness, ethical sourcing, and environmental sustainability have a direct bearing on their choices. Users are also influenced by social media on brand perception, driving their buying decisions, and is also influenced using digital platforms and purchasing. However, this study focuses on the same group's specific preferences and expectations as far as dairy products are concerned, but particularly for Aavin. Research focuses on analysing Aavin's consumers' patterns of consumption, their attitude towards dairy, and brand loyalty to provide those insights that would enable Aavin to tailor its products and marketing strategies to the needs of these influential consumer segments (Birovljev et al, 2015).

2. Aavin cooperative society of Tamil Nadu: overview

The Aavin Cooperative Society is an important arm of Tamil Nadu Cooperative Milk Producers' Federation Limited (TNCMPFL) in the dairy field of Tamil Nadu. Aavin is a state-governed entity formed in the year 1958 for the procurement, processing and distribution of milk and dairy products. It works in India's cooperative movement, whose intention is to uplift rural farmers and give them a fair price for their produce.

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3. Economic implications of Aavin's strategies

The leading state-owned dairy cooperative in Tamil Nadu, Aavin, has strategically defined strategies in adapting to the changing consumer behaviours, especially the Millennials and Gen Z, by improving its digital outreach, increasing e-commerce throughput, and strengthening the rural supply chains. Those strategies are not merely consumer-oriented but also economically transforming both to the organization itself and to the rural communities in which it operates.

Digital marketing strategy undertaken by Aavin, which involves the use of Instagram campaigns, associations with influencers, and focused promotions via Facebook and YouTube, has proved to be cost-effective. The cooperative has been registering a constant growth in the number of city sales, including tier-1 cities and tier-2 cities, where digital-born Millennials and Gen Z shoppers prevail. Literature documents that each rupee invested in the digital campaigns organized by Aavin returns 3.5 rupees in the form of sales (Dairy Market India Report, 2023). This is ascribed to:

- Reduced cost-per-acquisition over the traditional methods of advertisement (TV/radio).
- Younger audiences have higher engagement rates.
- Instant feedback and engagement with the brand, creating loyalty.

Digital solutions, such as QR-coded promotions and WhatsApp ordering programs, allow for closing the convenience gap among tech-savvy consumers and cut costs concerning operational costs concerning brick-and-mortar stores.

The well-organized model of procurement at Aavin further guarantees payment of better prices than the market average to the rural dairy farmers because the procurement is direct without an intermediary. Having over 4 lakh milk producers, engaged with Aavin throughout Tamil Nadu, the cooperative pumps in more than 1200 crores into rural economies each year (Aavin Annual Report, 2022).

Important financial gains are:

- Consistency of income: Procuring every day makes farming families' income in a proper flow.
- Incentive pricing: Paying more for good quality milk encourages people to be more productive.
- Capacity building: Hygiene, manageable feeds of cattle, and rules of a cooperative are taught, and yield and monetary literacy is added.

This improvement in the economy leads to increased involvement of the rural people in the formal market, and they no longer migrate to urban centres and engage in local entrepreneurship.

Economic behaviour of younger generations is more value and ethical-consumption driven. The Aavin cooperative model is in line with this as it helps farmers and encourages local produce. According to the surveys, 68 percent of Gen Z and 52 percent of Millennials in Tamil Nadu prefer buying products of companies they consider socially responsible (Kantar, 2023).

Aavin banks on this feeling by translating ethical trust into consumer willingness to pay a little higher price on branded dairy products at the cost of better profit margins and without losing consumer base.

Aavin has developed a regional employment multiplier by constructing local cold chains and transportation. Additionally, their franchise stores around communities, including women and self-help groups (SHGs), result in generating extra revenues for impoverished families.

4. Importance of the study

The study about the 'Understanding Millennial and Gen Z Buying Preferences of Dairy Products with special reference to Aavin Products of Tamil Nadu' is significant. A large portion of the people are millennials and Gen Z, and represent a colossal purchasing force. Industry is redefining markets for consumer markets by the values they value, such as health consciousness, sustainability, and convenience. Decoding this gives exactly what is expected out of Aavin's brand of offering in dairy products, Aavin can take the suitable steps to satisfy their expectations and behaviour of the consumers. Private brands and multinational companies compete in a market where Aavin exists. The insights offered by this study will be useful in developing Aavin brand's position and support to a younger generation (Brankov et al, 2021).

The future of dairy traditional consumption has challenges, as due to a high growth shift towards plant-based alternatives, premiums, and organic products. Aavin is thus able to understand how the product portfolio needs to change to cater to this changing preference. For a study, the model of Aavin's cooperative helps the rural dairy farmers to bring out the unmet needs or gaps in the market, which can be used as an innovation, and new products can be developed for the tastes, health concerns & lifestyle preferences of the Millennials and Gen Zs. If demand from the younger generations can directly aid in a rise in income and livelihood of these farmers. Knowing what triggers consumer demand, Aavin can create sustainability within the corporate growth, characterised by the balanced interest of both the producers and consumers.

Digital platforms, social media, and personalized marketing are very powerful to the Millennials and Gen Z. Thus, the findings in this study would be good insights for Aavin's communication strategies, as it needs to get through to the younger generation of Aavins through a suitable medium with a suitable message. Usually, young consumers are more picky about sustainability and ethical sourcing. This study can be utilized to do the same by Aavin, along with educating the buyers to go green with these eco practices, including these in their branding, and pull the environment-friendly buyers. These findings will be helpful to both Aavin's management and policymakers in deciding production, pricing, distribution, and innovation. This study provides a contribution to body knowledge about consumer behaviour and cooperation model, and should be considered a reference for further work in this research line (Brankov et al, 2022).

5. Literature review

Studies of recent years have demonstrated that Millennials and Gen Z are big forces for the direction of dairy consumption habits in the well-being and sustainability. A survey a year ago suggested that three of four millennials, in 54 countries, in general preferred milk substitutes over that of cows. In PCs in India, information from 2021 to 2023 and regularly greater than 50 % of dairy alternative patrons are Members, greater than 30 % are Gen Z, indicating a big change into non-dairy merchandise among younger age groups. Just like China, China's Gen Z consumers are buying dairy products that they give for their nutritional content, origin, and eco-friendly packaging, and they also show their high for high-quality functional dairy products. Moreover, the Good Food Institute's 2023 survey on plant-based dairy products reported that 7% of Gen Z and 5% of Millennials have already tried plant-based dairy products, and that 60% of each generation buys such products over 60% of the time. These insights reveal that Millennials and Z are also the key player in deciding which future the dairy industry will undertake on the scales of their health and environmental values.

Recent literature regarding dairy product purchasing behaviours of Millennials and Generation Z sheds valuable insight as to what they prefer and what they do. A Generation Z consumer's preference for UHT Ultra Milk in Chocolate flavour at 250ml packaging priced not more than IDR 5,000 PKR. Package and price were prioritized second, and taste third. Additionally, this research pointed out that these consumers aged between 20 mainly used social media platforms, especially Instagram, to gather information, highlighting the importance of digital engagement in reaching this demography (Caputo and Scarpa 2022).

In the United States, the National Frozen and Refrigerated Foods Association surveyed the millennial and generation Z health-conscious consumers who often choose dairy, like eggs (74%), yogurt (67%), and cheese (63%) because of its macronutrient and protein content. This trend is something that reinforces the importance that today's generations are placing on health benefits when they choose dairy products. This means that marketing strategies for these younger consumers must address these characteristics. For example, some Millennials feel overwhelmed and want to be less so, and brands need to be stronger and provide reasons to treat themselves. Moreover, they are noted for being deal-conscious and less brand loyal, typically searching for variety. In contrast, Generation Z emphasizes creativity and uniqueness and likes to be creative; they also rely heavily on social networks in the decision process. Moreover, we compared food purchasing behaviours of Generations X, Y (Millennials), and Z during the pandemic and found significant differences in customer value, satisfaction, and electronic word-of-mouth (eWOM) activities. This finding implies that food purchasing for dairy products, as well as other items is affected by different factors and underscores the necessity for specific marketing strategies. Overall, there is a preference and behaviour manifestation for dairy procured due to factors such as taste, health benefits, price sensitivity, and digital engagement, which is common among Generation Z and Millennials. Marketers need to understand these nuances to get to these influential groups with their message successfully and in a way that users will remember (Carfora et al, 2019).

Accordingly, in meeting market demands, marketers should be able to comprehend how consumers perceive food products since the supply becomes more diverse and consumer interest in domestic and organic products escalates (Schleenbecker and Hamm, 2013). There are those that will recognize labels such as 'Made in', or 'Manufactured in', meaning that the product was produced in that country. The term COO may be difficult to define; however, in marketing, the term COO is often referred to as consumers' perception towards the product based on where it is manufactured (Tjandra et al., 2015). That is, the impact of the COO varies by product type, as indicated by Drozdenko and Jensen (2009). Furthermore, Nagy et al. (2022) reported that the place of origin of the food is a significant factor in determining the food's credibility. For starters, some are willing to buy local food because they want to support their country's economy and workforce as well as their sense of patriotism. This is what is called ethnocentrism, and that is the choice of domestic products over foreign products (Fernández-Ferrín et al., 2018). However, due to the COO, consumers will opt for domestic milk as safety and health issues are also important factors for cold and fresh products (Claret et al., 2012). It can also be explained by the importance of COO indicating the company's authenticity and market recognition, which is important in the way consumers perceive the quality of the product ("Russian vodka", "Greek yoghurt", etc.). What consumers really want is safe, tasty, and nutritious foods, as well as brands for which they have trust (Yang et al., 2021).

Kushwah et al. (2019) are particularly interested in finding drivers of how organic product demand is growing. In this definition, 'organic' implies the products that are intended for production in a more ecological way, where also soil protection and animal welfare are also considered (Scalco et al., 2017). Incorporation of organic food is considered more sustainable as it is made by using the approved methods, which protect the natural resources and use only the approved substances (Massey et al., 2018). The main reason for organically consuming food is for environmental and health reasons (Magnusson et al., 2001). Therefore, Vega-Muñoz et al. (2022) stated that health-related factors are determinant, especially for very young consumers. Nevertheless, Lilly white et al. (2013) discovered that health and safety motives determine the eating taste. Moreover, Aertsens et al. (2009) demonstrated that most consumers of organic food consider it as tastier than conventional food. Recently, there has been an increasing research in the organic food market in the Republic of Serbia. The papers mainly concentrate from a consumption point of view on what determines the product the individual chooses to buy if this is an organic product. According to Milić et al. (2022), positive characteristics of organic products have to be emphasized to stimulate consumption and to allow for further development of the organic food market.

By their purchasing behaviour (Aydemir et al., 2023), Gen Z or students will have a large effect on economic, political, and societal change, including the organisation of food systems. For that reason, Gen Z, or post-millennials, therefore represents a promising marketing segment for sustainable products (Su et al., 2019). This generation has a great sense of social responsibility and has learned about sustainable living through his or her early exposure to these topics (Vehapi and Mitic, 2021). Consumers, both as hobbyists and as large retailers, want to purchase consumer goods that, either because of their purchase price or because of their attributes, provide meaningful expressions of their values. Nevertheless, Vehapi and Mitic (2021) determine that the purchase of organic food products in the Republic of Serbia is mainly encouraged due to post-millennials' interest in the product's quality and health. These findings are contrary to research carried out in developed countries where members of Gen Z pay more attention to environmental issues, sustainable consumption, and animal welfare. As Husic-Mehmedovic et al (2017) point out, food can be a very powerful way of expressing self-identity. However, Vehapi and Mitic (2021) have determined that the main barriers to buying organic food among Gen Z consumers in Serbia are high prices, lack of information, and limited availability. Digital literacy, however, allows Gen Z to make decisions more prudently, more analytically, and even more pragmatically than any other generation (Grigoreva et al., 2021).

It is a group of people born in the same period of whose life. G. Aniszewska mentioned that a generation reveals certain behavioural patterns, which help to form a later given generation's attitudes. There are demographic characteristics of each generation that influence their buying behaviour as well as experiences, expectations, lifestyle, and values. The reason different generations differ to each other, according to this, is that they tend to emphasize the values they have been raised. Thus, consumers of a specific generation have similar habits, attitudes, hopes, conduct, and a susceptibility to different types of arguments and incentives. This study investigates the relationship between the centuries of the millennial generation (also referred to as the millennials, generation Y) and their surroundings, considering their not-so-distant predecessors, who grew up in different conditions both in terms of economy and infrastructure. It was a technological, electronic, wireless, society that is merging its boundaries in terms of globalism. They can be successful through efficient multitasking. According to Howe and Strauss, Generation Y would be optimistic, cooperative team players, and rule following. The rational minds, positive attitude, and selfless team virtues are achievements they present. It is a generation that has experienced great political changes and has been exposed to new technologies extensively. More and more, the market environment is under pressure from millennials, they are a generational cohort at the forefront of exerts affecting any sector of the economy. What is considered the largest and best-educated is the millennial generation.

Millennials, or people in the last two decades of the twentieth century, are referred to as the millennial generation. They are therefore a very large and fast-growing market segment. In Poland, there are around one in five inhabitants who belong to the Millennial generation. As a segment, the demographic that constitutes the key target of marketers for purchase is the Millennial consumers who have a high purchasing power. In France, Generation Y is also called the digital generation because of their love for all the technicalities that facilitate the purchase of a product (applications, websites of comparison of price, simulations, culinary and nutritional advice, etc), as well as to

share their opinion on the network social media. The buying or shopping for goods by millennial consumers is different from what was experienced by earlier generational consumers. Social media is a place where the millennial generation uses to communicate and shop. Millennials are more confident, more willing to be experimented on, and more willing to experiment themselves. They have rational minds, a good attitude, and team virtue that they do not cherish for themselves. One of the features of the Millennials is their high expectations toward the satisfaction of their needs. Self-absorbed and independent people, with a high individuality, prefer to interact with social networks. Besides, they are quite narcissistic and self-centred. Followed by the fact that Millennials live for the moment and believe in giving themselves, a study conducted by Solomon revealed that the proper link between millennials socializing, entertainment, and spending makes sense, as it shows that millennials spend to have fun and that, for them, millennials spend within their abilities. About the whole, Generation Y members are open, optimistic, goal-oriented, with a high drive to succeed (Grigoreva et al, 2021).

6. Current trends of digital marketing and sustainability among Gen Z and millennials: a global vs. Indian

Preferences, as acquired over the past years, have been metamorphosing the activities that affect the marketing approaches of the dairy industry, the world over, and in India in particular. Aavin is one of the principal dairy cooperatives in the state of Tamil Nadu and a producer of dairy products. Located at the edge of tradition and the digital transformation, Aavin wants to realign its products to support the needs of the young and digitally empowered, socially conscious population. Transparency, sustainability, and ethical sourcing of food are important considerations for Gen Z consumers across the world at large. Considering that most global Gen Z consumers see sustainability as an important consideration in purchasing dairy products and more than 60 percent of this population are ready to pay a higher price for eco-friendly and ethically produced products (Attest, 2024), the notion of sustainability did not go unnoticed. The trends are reflected by new developments in the packaging, carbon-labelling, as well as the form of functional dairy products like probiotic yogurts and plant dairy hybrids.

But there is a subtle twist in the case of Indian youth. Even though environmental consciousness is increasing, the usual trade-offs between the need to consider the environment and mind economic concerns also exist, and Indian Gen Z consumers are more focused on affordability and convenience. The Deloitte 2024 report shows that although 84 per cent of Gen Z Indians and 90 per cent of Millennials are concerned about the environment, accessibility, and price sensitivity have remained the key drivers in their purchasing behaviour. The Indian Millennials, however, are more willing to follow sustainable brands and be able to pay a higher price regarding ethically sourced and locally produced dairy products. Such an intergenerational gap points to the necessity of regional approaches in both branding and pricing.

In the context of digital marketing, it can be observed that in India, consumers continue to be determined by individually segmented and local language content in Instagram Reels, YouTube Shorts, and WhatsApp. Reportedly, the constant rise of digital in FMCG marketing brands in India today spends more than 3035 in advertising investment on digital platforms and uses AI-enhanced applications to achieve better reach and connections (Exchange4 Media, 2025). Gen Z consumers, especially in India, are suspicious of influencer marketing, and they also need authenticity in brand communications. To Aavin, this calls on a dual strategy: the digital platforms will not only be used to advertise products but also to reveal transparent supply chains, fair sourcing, and the actual stories of farmers to build trust and appeal to emotions. The trending global practices like packaging sustainably and functional dairy innovation (e.g., high-protein or single-serve yogurts) need to be placed locally so it resonates with Indian taste, between the lines of aspiration and affordability.

Hence, the success of Aavin in reaching Millennials and Gen Z is supported through a cohesive set of digital efficiency, ethical branding, and innovation in the region. Adoption of universal best-fit practice with localization of consumer information, which includes value additions to small packs, sustainability, but without high cost premiums, and social narrative rather than commercial cameo endorsements, Aavin can enhance brand loyalty as well as market share among the youth in India. This amalgamation between economic rationalism and emotional pigeonholing is key to understanding the future of the consumer market of the Indian dairy industry.

7. Conceptual framework

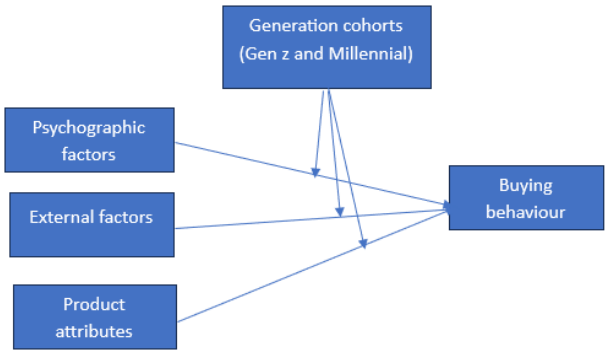


Fig 1: Conceptual Framework

The conceptual framework (Figure 1) provides that the buying behaviour of Generation Z and Millennial consumers is determined by the effects of key factors: psychographic factors, external factors, and product attributes. Such cohorts of generations become a moderating variable influencing the way every factor influences the purchase behaviour. The preferences are directly determined by psychographic variables (values, lifestyle, and health consciousness) and extrinsic variables (social trends and peer recommendations). Product-specific features such as price, taste, packaging, and nutritional values are also major determinants in the purchasing decisions. Within this framework, it is possible to narrow down the analysis as to the interaction between generational characteristics and these variables so as to arrive at the range of dairy product consumption.

8. Methodology

The research design used in this study is quantitative but with a non-probability convenience mode of sampling, with which a large sample of respondents can be covered even during a short period. This approach of convenience sampling entailed the feasibility of reaching the participants via social media platforms, where these methods are congruent with the digital accustomedness of Millennials (26 to 41 years) and Gen Z (10 to 25 years). Instagram, Facebook, or WhatsApp are some of the known platforms, especially among the young generation in South India, mainly Tamil Nadu, which makes it sound like the best place to distribute structured online surveys in the most time and money-saving way.

This geographic selection of South India has been made since Aavin is a cooperative based in Tamil Nadu with regional implications, and studying the behaviour of the consumer in that particular setting makes the research more relevant and applicable. Even though the target demographics include Millennials and Gen Z respondents, those older than 56 also participated. As their participation is appreciated and added, not avoided. Their presence gives an opportunity for comparative statistical analysis with age groups, which gives an idea about generational changes in taste, brand trust, and purchase behaviour.

The sample in this quantitative research has been taken as 343 respondents, which is quite sufficient in relation to making statistically significant conclusions in social science research. A sample size of around 341 will be enough to use a sample size of 10000 or more regarding the determination of sample size according to Krejcie and Morgan's (1970) table of sample size determination of 10000 or more by considering a 95 % confidence level and 5 percent margin of error. The sample of 343 is acceptable and within the breadth of the possible statistical validity of generalization and testing of hypotheses, since the actual population of dairy consumers in Tamil Nadu is very large. In addition to that, the sample in question can be analysed in subgroups, including generational ones between Millennials, Gen Z, and older consumers, without undermining the validity of the results. The reliance on case study activity and application of a structured questionnaire and availability of a clear representation of the sampling frame (social media users in South India) further boost the reliability of the information gathered.

It is both primary as well as secondary statistical methodologies used in the data collection. The data collection technique used in this research is a survey method and a questionnaire. Indian 'Generation Z' is born between 1997 to 2012. Ages 10-25) and 'Millennial' (Born between 1981 and 1996, Ages 26-41) individuals were targeted. As the target in large and unknown, this reduced the sampling unit to South Indian based participants from Tamil Nadu.

Data is collected through a closed-ended questionnaire. The survey questionnaire is spread through various online platforms, including Instagram, Facebook, and other social media platforms. The link to the questionnaire, which is designed using Google Forms, is shared with the targeted people. As social media platforms like Facebook, LinkedIn, Twitter, and Instagram, data were obtained from a survey conducted on them. Statistical methods used to analyse the data are regression, simple percentage, ANOVA, Cronbach's alpha, and Hayes Process Macro. The processed and obtained Data were used to examine and analyse on the SPSS and Microsoft Excel software applications.

9. Data analysis and results

We analyzed the datasets of sample size 343; first, descriptive datasets of Simple percentage, Mean and Standard deviation, and the Cronbach alpha test for the reliability test; second, the statistical analysis of variables using the regression method; and then, this part includes the analysis of moderators using Process-Macro analysis developed by Hayes. The results are:

10. Descriptive analysis

The research focuses on analysing the variables and examines how the moderators impact the variables by focusing on the age, gender, and income. Using the simple percentage analysis, the ratio of gender and educational qualification, marital status, age, and income is estimated. The results are (refer to table 1):

Table 1: Descriptive Analysis

Variables	Options	Frequency (f)	Percent (%)	Valid %	Cumulative %
Education	School-level	25	7.3	7.3	7.3
	UG	124	36.2	36.2	43.4
	PG	140	40.8	40.8	84.3
	Doctorate	54	15.7	15.7	100.0
	Total	343	100.0	100.0	
Gender	Male	134	39.1	39.1	39.1
	Female	209	60.9	60.9	100.0
	Total	343	100.0	100.0	
Marital status	Single	122	35.6	35.6	35.6
	Married	158	46.1	46.1	81.6
	Divorced	63	18.4	18.4	100.0
	Total	343	100.0	100.0	
Income	15000-25000	33	9.6	9.6	9.6
	26000-35000	126	36.7	36.7	46.4
	36000-45000	142	41.4	41.4	87.8
	Above 46000	42	12.2	12.2	100.0
	Total	343	100.0	100.0	
Age	14-25years (Gen Z)	113	32.9	32.9	32.9
	26-35years (Millennial)	124	36.2	36.2	69.1
	36-45 years	48	14.0	14.0	83.1
	46-55 years	36	10.5	10.5	93.6
	Above 56 years	22	6.4	6.4	100.0
	Total	343	100.0	100.0	

Source: Primary Data.

Descriptive analysis was conducted on the results from Table 1, showing that the majority (76.9%) of the respondents were female. Responses from respondents who belong to the 26–35 years age group were found to be in which 40.8% of them participated, with which majority of them having a postgraduate level of education.

11. Reliability test

In this research, the reliability test used is the Cronbach alpha (a) that is, which is adopted as a means of assessing and measuring the reliability of variables. The value retrieved from the test 2 using the standard measures of the test 3 is a good fit when we get a value near 1 for the internal consistency and a bad fit when nearer to 0 for the internal consistency. This condition means that the condition states: a≥0.9 is excellent, a≥0.8 is good, a≥0.7 is acceptable, a≥0.6 is questionable, and a<0.5 is unacceptable.

Table 2: Reliability Test Outcome

Item name	Alpha Value (a)
External factors	.776
Ptychographic factors	.876
Product attributes	.771
Buying behaviour	.827

Source: Primary data.

From Table 2, it's observed that the values obtained are acceptable and a good fit for the research. Thus, the variables are acceptable and reliable.

12. Hypothesis testing: regression analysis

The hypotheses are tested and the results are obtained where:
H1: The psychographic factors of the customers will influence the buying behaviour of Aavin dairy products

Table 3: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Esti-mate	Change Statistics R^2 Change	F Change	df1	df2	Sig. F Change
1	.205[a]	.042	.039	.460	.042	15.008	2	341	.000

a) Predictors: (Constant), Buying behaviour

Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean[2]	F	Sig.
1	Regression	3.180	2	3.180	15.008	.000[b]
	Residual	72.249	341	.212		
	Total	75.429	343			

b) Dependent Variable: Psychographic factors
c) Predictors: (Constant), Buying behaviour

Table 5: Coefficients[a]

Model		Un-standardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1.081	.068		15.871	.000
	ProductMean	.081	.021	.205	3.874	.000

From Table 4, the regression analysis proves that buying behaviour and psychographic factors are statistically significant. R2 2= 0.042; i.e., the variations in buying behaviour tend to explain approximately 4.2% of the variation in psychographic factors. The overall significance of the model is working ($F = 15.008$, $p < .001$), which means that the utilized predictors are significant. Particularly, the positive impact of product variable in psychographic factors is significant ($B = 0.081$, $p < .001$), implying that the better the product satisfaction, the more psychographic responses (and a few examples include lifestyle match, brand attitude, etc.) there will be. Through the outcome obtained from the regression calculation, it is inferred that hypothesis 1 is true.
H2: The external factors of the customers will influence the buying behaviour of Aavin dairy products

Table 6: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the timate	Es-Change Statistics R^2 Change	F Change	df1	df2	Sig. F Change
1	.072[a]	.005	.002	.469	.005	1.780	2	341	.183

a) Predictors: (Constant), Buying behaviour

Table 7: ANOVA[a]

Model		Sum of Squares	df	Mean[2]	F	Sig.
1	Regression	.392	2	.392	1.780	.183[b]
	Residual	75.037	341	.220		
	Total	75.429	343			

b) Dependent Variable: Buying behaviour
c) Predictors: (Constant), External factors

Table 8: Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.247	.065		19.245	.000
	PlaceMean	.034	.026	.072	1.334	.183

From Table 7, Regression analysis provides the information that the external factors (including place-related factors) do not influence the buying behaviour significantly. R2 = 0.005 and indicates that external factors are only able to explain 0.5% of the changes in buying behaviour. The overall model is significant with F= 1.780 and p= 0.183, and the coefficient of the Place variable is not significant either (p= 0.183). To the extent that it implies, this factor does not play a significant role in Gen Z and Millennial consumers buying dairy products such as those offered by Aavin. From Table 9, the predicted association of variables is false.

H3: The product attributes of the customers will influence the buying behaviour of Aavin dairy products

Table 9: Model Summary

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig. F Change
1	.232[a]	.054	.051	.457	.054	19.447	2	341	.000

a) Predictors: (Constant), Buying behaviour

Table 10: ANOVA[a]

Model		Sum of Squares	df	Mean[2]	F	Sig.
1	Regression	4.070	2	4.070	19.447	.000[b]
	Residual	71.359	341	.209		
	Total	75.429	343			

b) Dependent Variable: Buying behaviour
c) Predictors: (Constant), Product attributes

Table 11: Coefficients[a]

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.752	.100		17.602	.000
	PromotionMean	.126	.029	.232	4.410	.000

From Table 10, the regression analysis indicates a positive and significant correlation between product attributes and the buying behaviour. Value of R2 is 0.054, and this means that 5.4 of the variation in buying behaviour is attributed to product attributes. In the model, the reliability is confirmed since it is statistically significant ($F = 19.447$, $p < .001$). Promotion as one of such predictors significantly relates to a positive outcome in buying behaviour ($B = 0.126$, $p < .001$) and implies that appropriate promotion strategies can essentially affect the behaviour of Gen Z and Millennials in selecting dairy products, including the ones produced at Aavin. Through the outcome obtained from the regression calculation, it is inferred that hypothesis 3 is true

13. Hayes' process-macro analysis for the moderators

The moderators have been analysed using the Hayes Process-Macro technique. The analyses of the hypotheses are:

H4: The factors of the consumer and the buying behaviour will be moderated by generational cohorts

Table 12: Analysis of Generational Cohorts as Moderator

```
Run the MATRIX procedure
***********************************************************
Model: 1
Y: Buying behaviour
X: Factors of consumers
W: Generational cohorts
Sample Size: 343
***********************************************************
OUTCOME VARIABLE: Buying behaviour

Coding of binary Y for logistic regression analysis:
 DV1 Analysis
 1.00 .00
 2.00 1.00

Model Summary
-2LL                ModelLL             df          p
418.1395            15.2029             3.0000      .0000

Model
                    coeff       se          Z           p           LLCI            ULCI
Constant            -2.7998     1.2652      -.2129      .0269       -5.2797         -.3200
IVMean              .4797       .4135       1.1599      .2461       -.3308          1.2901
D3                  .1888       .4945       .3819       .7026       -.7804          1.1580
Int_1               .0334       .1684       .1986       .000        -.2966          .3634
```

```
********** ANALYSIS NOTES AND ERRORS **********
Level of confidence for all confidence intervals in output: 95.0000
------ END MATRIX -----
```

The p value was found significant with .0000; (table 12) where the generational cohorts as a factor moderates the association between the consumer factors and buying behaviour of Aavin products.

14. Discussion

Societal, cultural and technological trends are reshaping the way Generation Z and Millennials purchase dairy and are influencing their unique purchasing behaviours and preferences. For both generations, health and wellness become primary determinants regarding the choice of the product, especially those with added health benefits. Yogurt, kefir, and other milks that are fortified with probiotics and high in protein are a part of the dairy products that Millennials often choose because they prioritize an active lifestyle. To continue the health trend set by Millennials, Gen Z is just as health-focused and just as interested in transparency with similarly focused commerce on products that make eating healthy easily understood (Hasanzade et al, 2022). This shift calls forth the need to place dairy products in an important role in maintaining the physical well-being and well-being, because young people are focused on holistic health.

These decisions also include purchasing decisions based on sustainability and ethical consumption, especially for Millennials and Gen Z. A growing number of both generations are increasingly concerned with the environmental impact of their buying decisions; leading demand for sustainable packaging, eco-friendly production methods, and brands who care about animal welfare. Gen Z favors plant-based dairy products due to aligning with their values of environmental harm reduction. Brands with such quality are sought after by consumers, and companies should integrate green practices into their operations and openly communicate these efforts. Dairy brands are then able by emphasizing ethical practices, to create a place of trust and loyalty with these environmentally conscious consumers (Končar 2019).

Digital engagement is key to the modern way that Millennials and Gen Z engage with dairy brands. The placement of products, the way these products are being interacted with, and the feedback these products are getting; all of this is influenced highly by Instagram, TikTok, and YouTube, where both generations learn about products, interact with campaigns, and share their opinions about the products. Especially Gen Z is influenced by creative and visual content, and Millennials want brand interactions, authenticity, and storytelling. Capturing their attention can be done by influencer collaborations and interactive campaigns, such as recipe ideas or user-generated content contests. Also, e-commerce platforms and digital marketing strategies like personalized recommendations, loyalty programs, and the like, facilitate an easier and more convenient connection between brands and the younger generation of consumers (Kymäläinen 2021).

Notable in Millennial and Gen Z buying behaviour is also affordability and value-driven purchases. These groups do value high-priced products, but they may be price sensitive. Gen Z is more budget-conscious and is inclined to buy brands that offer high quality at reasonable prices. In contrast, Millennials might spend more, so long as they view the purchase of that product as aligned with their values and providing something different or unique. Brands need to provide high-quality goods while remaining affordable, by having discounts, deals bundled with other items, and subscription models purely for attracting these consumers.

Finally, Millennials and Gen Z have their flavour preferences and product customizations in dairy purchasing patterns. Innovative and diverse flavors are favoured by these generations, particularly Gen Z is inclined to go for different flavors such as interesting: chocolate-infused or fruit-blended dairy products. Their desire for individuality and creativity in consumption is respected by the offer of customizable products, for instance, yogurt bowls to build or milk packs in various flavours. Brands leverage their versatility to suit their customers' tastes and preferences, and in turn become more appealing to younger shelves.

Finally, since Millennials and Gen Z are difficult to understand, their buying behaviors must be studied in detail by examining the values, preferences, and digital lives of these two groups. When focusing on health, sustainability, digital engagement, affordability, and customization, dairy brands can do so by reaching these influential consumer groups. By being aligned with their expectations and utilizing their digital nature, brands can catch the attention of their customers, and even more importantly, develop loyalty to the brand in an ever-changing marketplace.

15. Theoretical framework

To better understand how the Millennials and Gen Z youth think about buying dairy products, a multi-dimensional perspective is needed from consumer behavior theories, generational consumer models, sustainability frameworks, and the digital marketing view. As such, these factors determine their purchasing decisions and set the way forward for the dairy industry.

This theory is one of the most relevant theories in consumer behavior, called the Theory of Planned Behavior (TPB) by Ajzen (1991), that describes how the decisions of a consumer are based on attitude, subjective norms, and perceived behavioural control. Gen Z and Millennials are very influenced socially by their attitudes on health, sustainability, and ethical consumption. Their subjective norms are influenced socially by social media and peer recommendations, which more often make them choose dairy alternatives than ethical dairy brands. The other factor is the perceived behavioural control by their availability of dairy-free options or the lactose intolerance concerns that can have in comparison with traditional soy products. As an example, Maslow's Hierarchy of Needs (1943) helps to explain how different types of human needs influence 'dairy creation' in different levels (from the basic physiological needs, nutrition, to self-actualization, ethical and sustainable consumption).

Those generational insights from a generational perspective take us through to understanding how Millennials (1981-1996) and Gen Z (1997-2012) have different purchasing behaviors. When purchasing dairy products, millennials often are looking for organic, functional, high-protein dairy options. Different from Gen Z, Gen Y is more sentimental about sustainability and ethical sourcing; they would rather choose brands that speak about environmental responsibility. One further explanation of the Consumer Culture Theory (CCT) is that culture, social influence, and technology can all shape dairy consumption. In addition to nutrition trends influenced by influencers' social accounts (such as Instagram, TikTok, or YouTube), social media is one of the main drivers of their adoption, which is the reason the digital influence can be crucial to purchase.

One example is, an analysis considered the conjectures on the Millennials and Gen Z (for instance, on sustainability and ethical consumption) can be studied via the Triple Bottom Line (TBL) Framework by Elkington (1997). These three pillars (People, Planet, and Profit) start with fair trade and ethically sourced labour, Planet, the carbon footprint, and ethically farm the dairy, and seek profit. In addition, the HBM describes how this generation chooses these products because they perceive susceptibility to health risks and/or severity of possible

occurrence of health risks (such as lactose intolerance); perceived benefits of dairy with nutrients for 2 of these generations; barriers such as the high cost of organic options.

Finally, dairy purchasing behavior is understood in terms of the Consumer Decision Journey (McKinsey, 2009) and Engel-Kollat-Blackwell (EKB) Model of Consumer Behaviour. The first, these models consider the decision-making process from problem recognition to information search, decision to buy, to post-purchase behaviour like brand loyalty, brand advocacy, or shopping reviews. Gen Z and Millennials are very involved in the digital world, so it is important that they are exposed to influencer endorsement and targeted marketing campaigns that would be important in a final purchase.

16. Policy recommendations

The following policy recommendations are based on the results of the present study, which demanded our attention to a possible shift in consumer behaviour of Millennials and Gen Z toward the consumption of value-driven, sustainable, and digitally available dairy products, which will help to promote Aavin's goals and expand its activities. These recommendations should increase the competitiveness of the cooperative besides promoting rural livelihoods and long-term agricultural growth in Tamil Nadu.

1) The Government Incentives to Sustainable Practices

Financial and infrastructural incentives to adopt sustainable practice should be given to Aavin by the Government of Tamil Nadu and other concerned central authorities. This includes:

- The funding of environmentally friendly packaging products: biodegradable cartons or glass bottles.
- Funding to set up efficient cold chain infrastructure and install solar-powered milk chilling systems in collection centres at the rural level.
- Tax incentives to Aavin for its investments in wastewater recycling, minimization of carbon footprint, and green transportation logistics.

Indoctrination of sustainability on an industrial level in a cooperative system is what can make Tamil Nadu the champion of environmentally compliant milk production and become an example to other states.

2) Strengthening Digital Infrastructure and Marketing Capacity

The new strategy designed in digital marketing by Aavin has collaborated with the youngsters in a good way. In a further attempt to leverage on this, the government ought to embark on fostering of public-cooperative partnership that will facilitate:

- Market analytics training of Aavin marketing teams with the use of AI.
- Creation of multi-lingual mobile applications and direct-to-home applications with order tracking in real-time and loyalty programs based on QR codes.
- Investments in the digital storytelling campaigns with success stories of farmers, transparent sourcing patterns, and health education, which correspond to Gen Z's trust in transparency and authenticity.
- These activities would update the marketplace of Aavin and create awareness among consumers about ethically quality products sourced locally.

3) Institutional Promotion of the Cooperative Model

Since its inception, Aavin has managed to achieve its goal of ensuring that farmers are paid a reasonable price and simultaneously making it affordable to consumers; the cooperative model of organisation needs to be encouraged by the state and central government, given the evidence of its success. Among these can be:

- Incorporating cooperative education programming in both rural schools and agricultural colleges to develop next-generation cooperative leaders.
- Conducting awareness campaigns on the merits of cooperative purchasing, especially among the urban Gen Zs and Millennials who attach importance to ethical consumption.
- Promoting the use of urban cooperative stores and online franchises run by women or self-help groups (SHGs), strengthening the roots-based approach.

This should be able to revitalise the cooperative movement and make it fit in a digitally changing consumer world.

4) Providing Rewards to Youth-Focused Product Development

To exploit the preferences of the younger consumers, the government policy must enable innovation in the products through:

- Funding in R&D on fortified and functional dairy products (e.g, high-protein curd or lactose-free milk products; probiotic milk).
- The development of start-up incubation of student-driven dairy innovations in collaboration with Aavin.
- Certification of quality standard schemes to promote Aavin's use of their product lines through the name of Youth Choice or Green Dairy.

Standing by the currently popular demand-responsive innovation, policymakers can make sure that cooperatives such as Aavin will not be left behind by the forces of urban youth values invading the market.

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