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DEMAND ANALYSIS FOR NIDO MILK IN SELECTED TOWNS OF CAVITE

THESIS

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DEMAND ANALYSIS FOR NIDO MILK IN SELECTED TOWNS OF CAVITE

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ABSTRACT

HERMOSO, ALLAN HERMOSO." Demand Analysis for Nido Milk in Selected Towns of Cavite". B. S. Thesis, Bachelor of Science in Business Management major in Marketing, Cavite State University, Indang, Cavite, April 1999. Adviser: Dr. Nelia C. Cresino.

A study was conducted to describe the socio - economic characteristics of the consumers of Nido milk in selected towns of Cavite; determine the factors affecting the demand for Nido milk; ascertain the relationship between the demand for Nido milk and the selected variables such as price of Nido milk, household size, household income, prices of substitutes such as Alaska, Bear brand and Carnation and prices of complements such as Coffee, Milo, Ovaltine and Sugar; and determine the problems encountered by the consumers in purchasing Nido milk.

This study was conducted in selected towns of Cavite, namely: Alfonso, Dasmariñas, Silang and Tagaytay City from November 1998 to January 1999. One hundred fifty six respondents were interviewed using an interview schedule.

Majority of the respondents were married, with an average of 39 years and had five dependents. Their income ranged from P2,000 to P52,000 with an average income of P10,954.78.

The demand for Nido milk was significantly affected by the price of sugar, income of the respondents and price of Nido milk ($p<0.05$). On the other hand, the demand for Nido milk was not significantly affected by household size, prices of Alaska, Bear brand, Carnation, Coffee, Milo and Ovaltine.

The F - ratio of 2.451 was significant ($p<0.05$). The null hypothesis which states that the demand for Nido milk is not significantly affected by the explanatory variables such as price of Nido milk, household size, household income, prices of substitutes like Alaska, Bear brand and Carnation and prices of complements like Coffee, Milo, Ovaltine and Sugar was rejected at five percent level of significance.

High price of Nido milk is the main problem of the consumers in purchasing Nido milk.

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INTRODUCTION

Milk is considered as the most nearly perfect food in the world. Babies get their start in life by drinking milk. Milk gives them the nourishment they need for their health and growth. It has been recognized as an almost indispensable food for mankind (Comptons Pictured Encyclopedia, 1986).

In 1992, the demand for milk was recorded at 1.74 million metric tons(Manila Chronicle,1992). The local milk supply in the Philippines cannot meet the minimum requirements of an average Filipino family. Local production represents only one percent of the total consumption of milk, and other dairy products. Over the last century, the remaining 99 percent has been met through importation (Sanchez,1990).