

**GUJRAT CO-OPERATIVE MILK MARKETING FEDERATION**

**LIMITED (AMUL): A REPORT**

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**Need of Study:**

Managers are always curious about the position of their company's products in the market which largely depend upon the company's goodwill, and the position of their brand. In order to maximize the sale and profit, company must deliver outstanding satisfaction to the retailers , wholesaler & customers. So market survey of retailers, wholesalers & customers, chart out the position of the company as compared to the competitors. It helps the organization to find out the brand being sold most by the retailers along with their stocking and also consumer buying preferences.

**Scope of Project:**

The study carried out in a Aurangabad city so its scope is mainly limited to Aurangabad city.

- It gives information about the size of the retail network.
- It gives information about the services given by distributor to their retailer.
- It gives information about the competitors' products.
- It will serve consumer in better manner.
- It provides suggestions to the company to improve their products sales.

It gives information about the sales promotion activities to improve the milk sale

**Objectives of Project:**

The objectives of the Study can be listed as follows

**Primary Objective**

1. To find size of retail network of Amul Taaza and Amul Gold in specific areas of Aurangabad city.
2. To find the problems faced by retailers in selling and storing.
3. To collect the information about the competitors.

## Secondary Objective

1. To organize sales promotional activities to improve milk selling.
2. To generate and secure consumer awareness.

## Vision:

GCMMF will be an outstanding marketing organization, with specialization in marketing of food and dairy products both fresh and long life with customer focus and IT integrated. The network would consist of over 100 offices, 7500 stockiest covering at least every Taluka. Head quarter servicing nearly 10 lakh outlets with a turnover of Rs.10,000 Cr and serving several co-operatives. GCMMF shall also create markets for its products in neighboring countries.

## Mission:

We at GCMMF endeavor to satisfy the taste and nutritional requirements of the customer of the world through excellence in the marketing by our committed team. Through co-operative networking, we are committed to offering quality product that provides best value for money.

## Objectives

### OBJECTIVES OF THE ORGANISATION

Every organization is set up with some objectives to fulfill. The objectives may be social, economic, national and human.

Amul was also set up with some basic objectives to fulfill including all social, economic, national and human objectives.

Following are the objectives of Amul:

### Social Objectives:

Amul has an objective to supply goods with best of quality and purity at very reasonable rates.

- It helped to reduce malpractices carried out by merchants and milk traders.
- Its White revolution made a huge contribution to the alleviation of poverty and famine levels from levels that were dangerously low

### **National Objectives:**

Amul has helped India to increase its production of milk by 40 million metric tonnes and become the country with the most milk production all over the world

- To increase the foreign exchange of the country by exporting the milk products
- To produce products according to national priorities
- To help improve the health and nutrition of many within the country.

### **Human Objectives:**

- To help the villagers associated with Amul to sell their milk products
- To provide good working conditions to the employees
- To provide growth opportunities to the backward and unprivileged villagers
- To provide job satisfaction to the employees

### **Economic Objectives:**

- Expansion of distribution network.
- Creative and Unique marketing strategies.
- Optimum utilization of available resources.
- Creation and expansion of loyal customer base.
- Even though the basic objective is not to make profit, some profits are still to be made so as to survive and expand.

### **Advertising by Amul:**

Amul has two agencies that look after its entire range of products namely FCB Ulka and DaCunha. FCB Ulka looks after a broad range of products namely, Amul Lite Bread spread, Amul Shrikhand, Amul Chocolates, Amul Paneer, Amul SnowCap Softy Mix Ice cream, Amul/Sagar Ghee, Amul Infant Milk Formula 1 & 2, Sagar Tea and Coffee whitener, Amul Spray Infant Milk Food, Amul Mithaee, Amul Gulab Jamun, Amulya Dairy Whitener, Mithaimate Sweetened Condensed Milk, Amul Ice cream, Sagar Skimmed Milk Powder and Amul Whole milk Powder. Da Cunha looks after the Amul butter. Da Cunha also prepares the very popular Amul butter billboard campaigns, which we see at various locations. Over and above the Amul butter, Da Cunha also looks after the Amul Cheese, Cheese spread, Gouda Cheese, Emmental Cheese, Masti

Dahi and Buttermilk, Amul Slim-n-Trim, Amul Taaza and Amul Gold (all different brands of milk), Amul Fresh Cream, Amul Chocolate Milk, Amul Fresh Milk and Nutramul.FCB Ulka also looks after the corporate campaign.

#### **Areas of Operation:**

Besides India, AMUL has entered overseas markets such as Mauritius, UAE, USA, Bangladesh, Australia, China, Singapore, Hong Kong and a few South African nations. Other potential markets being considered include Sri Lanka.

#### **Some Facts:**

**Members:** 13 district cooperative milk producers' Union

**No. of Producer Members:** 2.79 million

**No. of Village Societies:** 13,328

**Total Milk handling capacity:** 11.22 million liters per day

**Milk collection (Total - 2008-09):** 3.05 billion liters

**Milk collection (Daily Average 2008-09):** 8.4 million liters

**Milk Drying Capacity:** 626 Mts. per day

**Cattle feed manufacturing Capacity:** 3500 Mts per day

#### **AWARDS:**

Amul a co-operative society and its co-operation has led many different awards in its favour. Magsaysay award for community leadership presented in Manila, Philippines to Shri Tribhuvandas Patel, Shri D N Khurody and Shri V. Kurien

**1964:** "Padmabhusan" award given to Shri T.K. Patel

**1965:** "Padmshri" awarded was given to V. Kurien, general manager, by the president of India.

**1987:** "Best Productivity" awarded by national productivity council for the year 1985-86 awarded to Amul dairy.

**1988:** "Best Productivity" awarded for the second successive year 1986-87 by the president of India, Mr. R. Venkat rao to Kaira union.

**1993:** "ICA" Memento towards genuine and self sustaining cooperative worldwide ICA regional office for Asia and Pacific, New Delhi, 1996.

**1999:** G.B. Birla award. Moreover the Amul union has achieved the prestigious ISO 9001-2000 and HACCP Certificate and effects are got to obtain ISO 14000.

**1999:** Best of All" Rajiv Gandhi National Quality Award for the year,

**2003:** The Gujarat Co-operative Milk Marketing Federation Ltd. has emerged as the top scorer in the service category of the prestigious IMC Ramkrishna Bajaj National Quality Award.

**2006-07:** GCMMF has bagged award for excellent performance in exports of dairy products from Agricultural and Processed Food Exports Development Authority (APEDA).

**2007:** Amul Pro-Biotic Ice-cream Gets No. 1 Award At World Dairy Summit.

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## The Milk Man Of India

Success Story  
Of  
**Amul**

TRIBUTE TO  
DR VARGHESE KURIEN



**List of Products Marketed:-**

- Bread spreads
- Amul Butter
- Amul Lite Low Fat Bread spread
- Amul Cooking Butter
- Cheese Range
- Utterly Delicious Pizza
- Mithaae Range (Ethnic sweets)
- Pure Ghee
- UHT Milk Range
- Milk Powders
- Fresh Milk
- Curd Products
- Curd Products
- Amul Butter Milk
- Amul Lassee
- Amul Ice creams

**Study of Departments**

**HR**

Human resources managers typically do the following:

- Plan and coordinate an organization's workforce to best use employees' talents
- Link an organization's management with its employees
- Plan and oversee employee benefit programs
- Serve as a consultant with other managers advising them on human resources issues, such as equal employment opportunity and sexual harassment
- Coordinate and supervise the work of specialists and support staff
- Oversee an organization's recruitment, interview, selection, and hiring processes
- Handle staffing issues, such as mediating disputes and directing disciplinary procedures

Every organization wants to attract, motivate, and keep qualified employees and match them to jobs for which they are well-suited. Human resources managers accomplish this aim by directing the

administrative functions of human resources departments. Their work involves overseeing employee relations, securing regulatory compliance, and administering employee-related services such as payroll, training, and benefits. They supervise the department's specialists and support staff and make sure that tasks are completed accurately and on time.

Human resources managers also consult with top executives regarding the organization's strategic planning and talent management issues. They identify ways to maximize the value of the organization's employees and ensure that they are used as efficiently as possible. For example, they might assess worker productivity and recommend changes to the organization's structure to help the organization meet budgetary goals.

The following are examples of types of human resources managers:

**Payroll managers** supervise the operations of an organization's payroll department. They ensure that all aspects of payroll are processed correctly and on time. They administer payroll procedures, prepare reports for the accounting department, and resolve any payroll problems or discrepancies.

**Recruiting managers**, sometimes called staffing managers, oversee the recruiting and hiring responsibilities of the human resources department. They often supervise a team of recruiters, and some take on recruiting duties when they try to fill high-level positions. They must develop a recruiting strategy that helps them meet the staffing needs of their organization and compete effectively for the best employees.

## MARKETING

Most producers work with marketing intermediaries to bring their products to market. The marketing intermediaries make up a marketing channel also called distribution channel. Distribution channels are sets of interdependent organizations involved in the process of making a product or service available for use or consumption. The Head Office of GCMMF is located at Anand. The entire market is divided in 5 zones. The zonal offices are located at Ahmedabad, Mumbai, New Delhi, Kolkata and Chennai. Moreover there are 49 Depots located across the country and GCMMF caters to 13 Export markets. A zero level of channel also called a direct marketing channel consists of a manufacturer selling directly to the final customers. A one level channel; contains one selling intermediary such as retailer to the final customers. A two level channel two intermediaries are typically wholesaler and retailer. A three level channel are typically wholesaler, retailer and jobber in between. GCMMF has an excellent distribution. It is its distribution channel,

which has made it so popular. GCMMF's products like milk and milk products are perishable. It becomes that much important for them to have a good distribution.

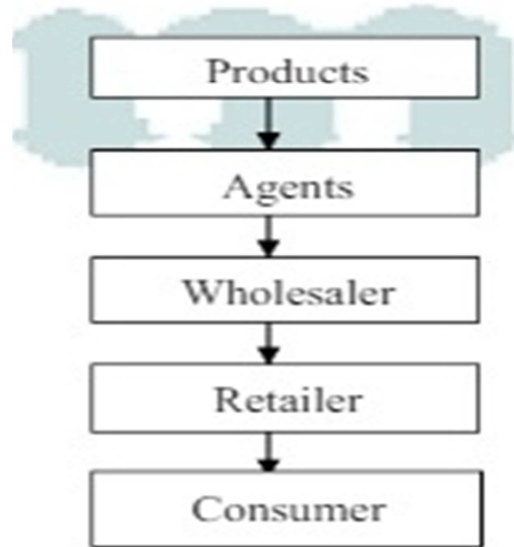
### **Managing Competition:**

The Indian market is dominated by a large number of small local and regional players. There are an estimated 150 manufacturers in the organized segment, which accounts for 30-35% of sales and about 1000 units in the unorganized segments of the market. In the organized segment the significant brands are Kwality Walls , Vadilal, Amul, Havmor, Mother dairy and Baskins &Robbins. GCMMF is facing very tough competition from both in and outside India. Amul combats competition from its competitors by providing quality products at a price which its customers value. Along with good quality products and reasonable price the packaging is also very good. Most of its products are available in many flavors. Excellent advertising backs its products and helps GCMMF (AMUL) to leave its competitors a tough time. Also Amul has comeout with Amul Parlours to cater to various segments of customers. Amul has a very strong BrandImage in the Domestic market. Many products are exported by GCMMF.

### **Advertising by Amul:**

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### Distribution Chart



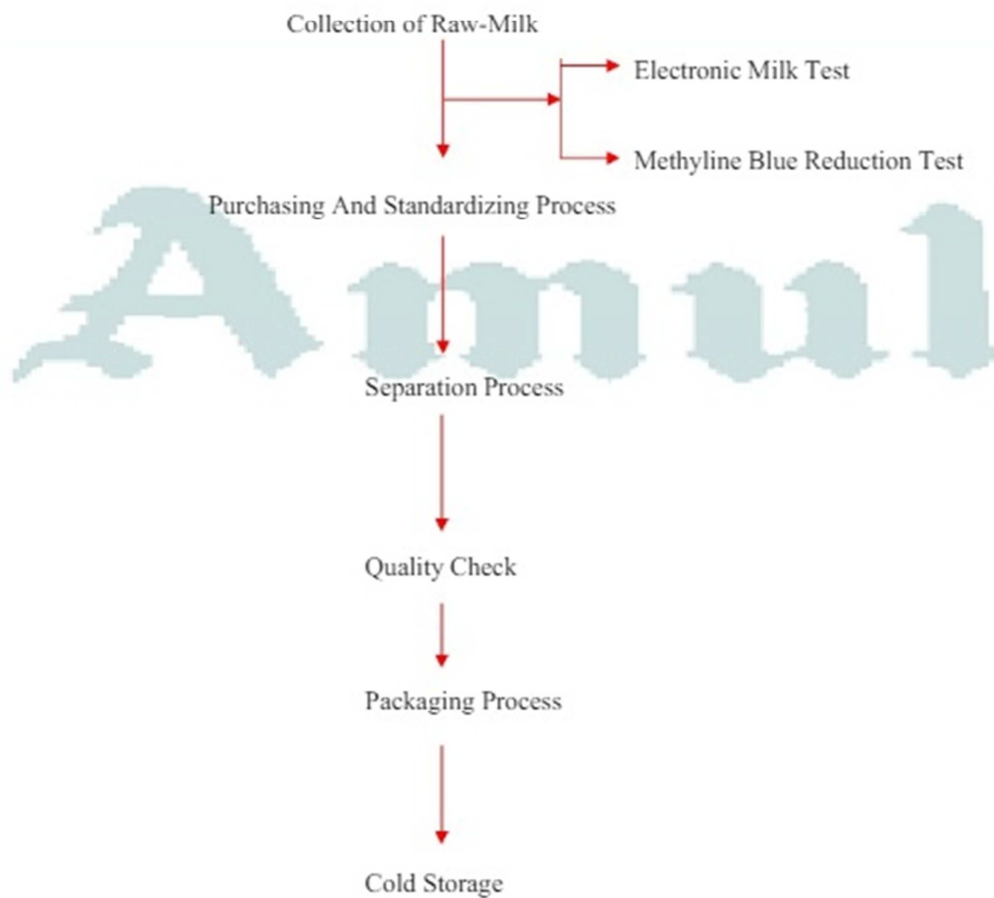
#### **Production Function:**

Explosion of the production technology and changes in technical field is going to bring out revolution in the industry sector which eventually gives stand to study and favors the come backing subject i.e. production and management. Production and operation management is planning, organizing, staffing, directing and controlling of all the production system those portion of organization that convert inputs into products and services. In general production system takes raw material, personnel, machines, buildings and other resources and produce products and services. The core of production system is its conversion subsystem where in workers; raw materials are used to convert inputs into products and services. This production department is at heart of the firm, as it is able to produce low cost products and superior quality in timely manners. Thus, there arises enormous need of giving due importance to this department as a whole and a strong concrete base being foundation pillars of a manufacturing organization, if the intention is to succeed domestically and globally.

#### **Operating Analysis-**

Amul’s only source of raw material is Village Milk societies. Milk is brought from such village milk societies every morning and evening. This milk is then sent to the dairy plant. In the dairy plant the milk is processed i.e. it is made free from germs.

**Milk Processing Chart:**



**Research and Development:**

As a part of milk production enhancement programme and improve cattle breeds of farmer producers Amul initiated various development programmes. Amul Research and Development Association is a step towards it.

While the breeding programme was initiated as back as in 1952 with two Surti bulls from the Kanjari village of Kaira district, visionaries like Dr Kurien, Father of White Revolution in India, realized that without a scientific and professional approach in management of breeding and animal health care development cannot take place. As a result of this, a new centre was established in 1964 and registered the same under Societies Act of 1860 as Amul Research & Development Association (ARDA).





Today ARDA is a centre of excellence in the field of research and development of cattle breeding and animal health care and its activities conform to the Quality Management System of International Standards.

Further it has also been recognized as a Scientific & Industrial Research Organization by the Department of Scientific & Industrial Research, Ministry of Science & Technology, and Government of India.

ARDA carries out various activities for sustainable dairy husbandry. Some of the programmes are: Semen Production, Preservation and dispatch for Artificial Insemination, Progeny Testing, Fertility Improvement, Dairy Herd Improvement, Mass Vaccination and Deworming, Mapping of soil for Deficiency of Minerals, Animal Nutrition, Development of Village Resource Persons (Inseminators) for Artificial Insemination and First Aid, Extension Education for farmers on Good Management Practices in Dairy Husbandry etc. and the services are provided even at the door step of farmers.



ARDA has today an enthusiastic team of field veterinarians, Para veterinarians and more than 1000 trained Livestock Development Agents to serve the farmers. It serves the farmers through a network of 1054 Liquid and Frozen Semen Centers

## SWOT Analysis

### Strengths

**Very high market share in ice cream** – Amul has the top market share in ice cream segment which further helps it push other products into the market.

**Excellent brand equity** – amul is a beloved brand over the years and the contribution of amul girl and her outdoor ads should specifically be mentioned here.

**Excellent quality management** – even though amul has such a wide and large distribution network, hardly any quality complaints come for amul.

**Strong distribution network** – This is one company which is strong in urban as well as rural distribution. You will find amul present even in small towns and villages.

**Good product portfolio** – Amul had a deep product portfolio when compared to any fmcg company. It has many different variety of milk milk based food items like cheese, butter, milk, buttermilk, lassi and many others. In ice creams too, amul has a large variety of flavours

**Strong Supply chain** – Vendors love Amul and amul is known for the white revolution in India.

**Rural presence** – Strong rural presence of Amul is its plus point. It is mentioned here separately because this rural presence gives amul a strong competitive advantage.

### **Weaknesses**

**Cost of Operations** – Amul's operation is huge. And so is the cost. Plus the sector is such that maintaining margins becomes difficult day by day. Thus, to face international players, Amul needs to maintain the operations in the same manner it is carrying out today. It is not a weakness but rather a constant challenge for Amul. In fact, during summers, the brand faces severe shortage of supply.

**Chocolates** – Amul's expansion to chocolate has failed and hardly any product of Amul chocolates is selling in the market. Amul needs further products to expand its product line and increase bottom line

### **Opportunities**

**Export** – Amul can export its product to other countries thereby increasing its turnover and margins exponentially.

**Concentrate more on chocolate market** – Amul has a no advertisement policy which creates a problem for its foray into additional products. Amul should in fact have separate SBU's and concentrate more on increasing its product line through chocolates or other such products.

### **Threats**

**Increasing competition in Ice cream segment** – Many players, local and international, are entering the ice cream market thereby taking away share of wallet from Amul. Kwality walls, Naturals, London

dairy, Havmor, Arun ice cream, Vadilal, Ramani, are some of the few brands who are directly in competition with Amul.

### **Findings:**

In Aurangabad region there are many players in of liquid milk market. Those are like Chitale, Vikas, Mahanand, Amul, Prabhat, and many other local brands.

As per the findings Vikas & Mahanand is the Market leader and having more market share. Awareness of Amul dairy milk among the retailers as well as consumers is average but acceptance is low. The sale totally depends on the retailers.

### **Retailers: (super market, grocery shops, etc)**

- Retailers are not interested because they don't have storage facility but if company provides them such facility they will be sale Amul milk.
- Because of low profit margin almost all retailers are not interested in Amul milk selling.
- On question, why retailers are not interested in selling of Amul milk, it is found they were not happy with margin, availability and replacement of leak pouches.
- I found that customers were complaining about the packaging especially packaging date because Amul do not print packaging date on pouch.
- When question came to retailers ratings towards Amul milk rating most of the most respondents complaining about profit margin and packaging date.
- During campaign it is found that the mindset of consumers towards VIKAS milk is very high and hence it has become a milk market player. As from the sales chart it is clear that the sales of VIKAS pouch milk is 50% more than Amul pouch milk.
- Retailers also demand for the replacements for the damage due to the spoilage of milk **End**

### **Users: (House holds)**

- Consumer's preference for purchasing of liquid milk is mainly based on quality, taste, availability, home delivery and freshness respectively.

### **Conclusion and Suggestions**

The Milk products market has reached Maturity stage in India large no. of Co-operatives having a variety of product range has entered the market, thus there is one way for Amul to sustain their milk business in the market by delivering outstanding satisfaction to their retailers, so that they can take interest in selling of Amul milk products. This can be done as follows

- Amul has a relatively good distribution network, but still company is not able to fulfill the demand of outlet in the peak season when demand is very high. Here company should consider on the supply of product in the peak season.

- Supply should be regular to all the outlets including those that lie in the pocket roads and not just in the outlets which lie on the easily accessible routes.
- 250 ml milk pouch should make available to retailers for selling, because lower income family has intention to buy small pouch milk.
- Provide reasonable Margin to retailers as compared to competitors, this motivates them to promote company's milk and milk products.
- Improve delivery schedule to provide products on time for the retailers about who claimed that Amul milk is not available to them on time.
- Provide consistent service to retailers as this will help gain company goodwill in the market.
- It will be beneficial for the company in the long run as well as in the short run.
- Also advertising on the television, Radio Mirchi and Sponsorship of the events, Trade Fairswill will be a better choice.
- Some brand ambassador like M S Dhoni, Hrithik Roshan or Vriendra Sehwaq may be used. That will help customers to accept the product more quickly.
- Special offers should be there for dealers, retailers and consumers at the time of Diwali and Holi.
- Company should take care of retailers by solving their problems and should call back by appointing separate company representatives.
- Timely visit should be given to the retail shops.

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