

Amul company introduction



**ASSIGN
BUSTER**

AMUL

The Taste of India, a brand so distinctively Indian has been a part of our lives for nearly five decades now and still is able to touch a chord in our hearts. As a brand AMUL has grown from being merely a differentiating factor to protect the interests of producers and consumers. AMUL inspired ‘ Operation Flood’ and heralded the ‘ White Revolution’ in India. It began with two village cooperatives and 250 liters of milk per day, nothing but ooze compared to the flood it has become today. AMUL distributes over a million liters of milk per day, it also collects and processes various milk products, during the peak, on behalf of more than a thousand village individually owned by half a million farmer members. AMUL too has become a symbol of the aspirations of millions of farmers.

AMUL sprung from the seeds sown in the black soil of CHAROTAR, an area in the KAIRA district of Gujarat, as a cooperative movement to empower the milk producers. At that time POLSON Dairy was the biggest buyer of the milk being produced in KAIRA. Polson was built on the basis of providing superior quality products to up-market consumers. However Polson’s products were not the reason that led to the rise of AMUL, it was its exploitative practices that started the cooperative revolution. For several years the KAIRA cooperative supplied milk and allied products without a formal distribution network leave alone a brand name. The name Amul was most probably suggested by a quality control expert in Anand. It was derived from “ Amulya”, which in Sanskrit, Gujarati and many other Indian languages, means priceless, and implies matchless excellence. The name was short, memorable and easily pronounced. It could also serve as an acronym for the

organization – the unusable KDCMPUL (Kaira District Cooperative Milk Producer's Union Limited) taken from Kaira Cooperative's full name, could be substituted by AMUL, standing for Anand Milk Union Limited. Even though AMUL products have been in use in millions of homes since 1946, the brand AMUL was registered only in 1957.

SUCCESS

As AMUL is recognised as the country's largest milk producing cooperative it has tied up with global supermarket chain WALMART to sell its range of dairy products and have also tied up with Glaxo over the production of baby food in India. Amul added sweet buttermilk powder, a second brand of baby food and a high protein weaning food. It also sells its products to Nepal. Now India is looking to capture neighbourhood markets like Pakistan, Bangladesh etc. These countries import over 50, 000 tonnes of milk each annually & Sri Lanka is flooded with an Indonesian brand, which is said to be of an inferior quality and also costs less. These countries import tonnes of milk every year. AMUL'S Indian desserts are very well liked in countries like Singapore and Malaysia. Amul has list of products marketed to various countries few of its products are Amul butter, Amul cooking butter, Amul cheese spread, Amul pizza cheese, Amul shrikhand, Amul fresh cream, Amul fat milk, Amul pure ghee, Amulya dairy whitener, Sagar Tea and Coffee whitener, Amul butter milk, Amul ice creams like cassata , cool candy and frostik, Amul milk chocolate and Amul Eclairs. Amul has started preparing and selling pizza slices that prominently feature generous portions of Amul cheese. Amul's pizza slices are being sold through super markets and large departmental stores that have snack counters

AMUL is considered as India's best known local Brand across all categories. Indians prefer Dairy Ice cream rather than frozen desserts and Amul has a wide range in the dairy ice cream segment, 35% market share in the national Ice Cream market. Amul is biggest sourcing base for milk products in India, people are more comfortable buying products in the Value for Money segment and Amul is well present in this division. Amul has built up a terrifying image as a brand in which generations of customers have placed their trust, coming to pricing strategy Amul is the price warrior and currently has a very wide range of products to offer for all price points. Amul is recognized for well established distribution and delivery network for dairy products. AMUL'S success led to the creation of similar structures of milk producers in other districts of Gujarat. They drew on AMUL'S experience in project planning and finishing. This patter was not only followed in KAIRA district but also in Baroda and Surat district.

In these districts, they experienced and found easy and effortless ways to adapt Amul's game plan to their respective areas. This led to the Creation of the National Dairy Development Board with the clear mandate of replicating the ' Anand pattern' in other parts of the country. Initially the pattern was followed for the dairy sector but at a later stage oilseeds, fruit and vegetables, salt, and tree sectors also benefited from it's success. Gujarat Cooperative Milk Marketing Federation (GCMMF) is India's largest food products marketing organization. Amul is state level apex body of milk cooperatives in

Gujarat which aims to provide remunerative returns to the farmers and serves the interest of consumers by providing quality products. It has been

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awarded a “ Trading House” status & has received the APEDA Award from Government of India for Excellence in Dairy Product Exports for the last 8 years. Amul is in a position to manage these assets to effectively command the market leader’s position in the emerging fresh dairy products market because of its milk processing capacity. Amul has always been a model to which other cooperatives have looked up as an example and inspiration as well as one from which many have benefited.

Success in Distribution: The major development on the distribution front was the development and alignment of four distribution highways-those of Fresh Products, Chilled Products, Frozen Products and Ambient Products. This is a significant achievement because it allows them to develop synergies among all product lines and to leverage these highways to introduce and distribute new products as per market demand. No other organization in India has been able to develop this kind of channel synergy so far

FAILURE

Advertising is an important role for the product to be sold in the market, as Amul advertising has low profile so by this other competitors were benefited. The competitor products have been very well received by consumers due to their advertising pitch Example: Kwality, Vijaya, Nestle. Retailers list a credible Replacement policy as a factor very high on their wish list. They would be willing to make further investments only for that brand which offers replacement facilities. Amul has no replacement policy. Quality control was the major problem that confronted the cooperatives. Farmers were paid every 10 days due to this though he delivered milk the farmer was not sure

about the quality of milk. The milk which has to be tested was stored in plastic bottles and was tested after milk collection process was completely done this led to contamination and handling of corrosive chemicals and also by using various types of glassware added to the cost and time taken to test the quality of milk.

CONCLUSION

AMUL has risen from Indian soil and it remains Indian in every sense. With roots well established in the domestic market Amul is all set to fight in the global arena. With the commitment it has shown in the past it will not be too long when Amul emerges a winner on all fronts. There is ample scope in the low priced segment as also in other categories where consumers presently are dissatisfied with the quantity being provided vis a vis the price being charged. Delhi market is not restricted to monopoly outlets. There are a significant number of retailers who are currently stocking more than two brands. So Amul can overcome it as earlier it had to overcome this problem in the Mumbai market. Kwality Walls is right now in an investment mode and is concentrating on expanding the market as also its reach. Amul should direct its resources towards cashing in on Walls market development.

Amul has the opportunity to capture the more evolved young adults and children who are open to new products provided they meet their expectations.

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