

Amul marketing project assignment

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I INTRODUCTION INTRODUCTION The retail sector in India is witnessing a huge revamping exercise as traditional markets make way for new formats such as departmental stores, hypermarkets, supermarkets and specialty stores.

Western-style malls have begun appearing in metros and second-rung cities alike introducing the Indian consumer to a shopping experience like never before. India's vast middle class and its almost untapped retail industry are key attractions for global retail giants wanting to enter newer markets. The organized retail sector is expected to grow stronger than GDP growth in the next five years driven by changing lifestyles, strong income growth and favorable demographic patterns, a KPMG report titled ' Consumer Markets in India: the next big thing? ' said.

The structure of retailing is developing rapidly with shopping malls becoming increasingly common in large cities, and development plans being projected at 150 new shopping malls by 2008. According to the report, the annual growth of department stores has been estimated at 24 per cent, which is faster than overall retail; and supermarkets have taken an increased share of general food and grocery trade over the last two decades. Disposable incomes remain concentrated in urban areas, " well-off" and affluent classes and the growing number of double-income households.

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However, the report reveals that the sheer size and potential of the rural segment has been underestimated. Rated the fifth most attractive emerging retail market, India is being seen as a potential goldmine. It has been ranked second in a Global Retail Development Index of 30 developing countries drawn up by AT Kearney. The list was developed as a response to requests from retail chains facing saturated demand in most western markets.

Retailing, considered a sunrise industry today after infotech, is the most happening industry with almost all the big players vying for a share of the coveted pie.

Buoyed by a strong increase in private consumption [pic] Today however, organized retailing is less than 2 per cent of the retailing industry in India, that is, about Rs 5, 000 crore which is evident from the above table.

Therefore, there is no real retail revolution in India; the industry is still in the stage of infancy. Organized retailing is bound to grow tremendously provided the right marketing strategies are adopted. Retail businesses have broken rank and seem poised to surge ahead with renewed vigor, optimism, confidence and capability.

There is an incredible amount of activity in terms of creation of retail-oriented space across India. As per some estimates, there are over 200 retail mall projects under construction or under active planning stage spanning over 25 cities. This may translate into over 25 million sq. ft. of new retail space in the market within next 24 months. Huge retail formats, with high quality ambience and very courteous and ambivalent sales staff, are the regular features of retail formats in most Asian countries.

However, in India except for a few big towns where modern retailing formats abound, these features are grossly missing. ETIG expects organized retailing to slowly penetrate the second rung and smaller towns which will catapult the growth rate for the sector. Even though the big retail chains are concentrating on the upper segment and selling products at higher prices like Crossroads, Akbarally's and Shopper's Stop, retail stores are sprouting that cater to the needs of middle class. With a huge middle class population, the retailers like RPG's Food world are tapping this market.

The market is flooded with products branded and unbranded. The customers are in a dilemma as to pick which one. Simon Bell of AT Kearney says " There is a close relation between the growth of brands and the growth of the organized retailing. Companies selling branded products prefer to have big and organized retail outlets such as supermarkets where they can be differentiated from unbranded products" Though doubts have been cast on the future of Indian retailing it is our belief that the retail boom is yet to happen.

While the industry is in the introduction stage in most geographies, it has just entered the growth region in the metro cities. Today, the right product mix, right sourcing strategy, and the right communications are the mantras for success.. ORGANIZED RETAIL FORMATS IN INDIA Each of the retail stars has identified and settled into a feasible and sustainable business model of its own. ? Shoppers' Stop – department store format ? Westside – emulated the Marks & Spencer model of 100 per cent private label, very good value for money merchandise for the entire family ?

Giant and Big Bazaar – hypermarket/cash & carry store ? Food World and Nilgiris ??? supermarket format ? Pantaloons and The Home Store – speciality retailing ? Tanishq has very successfully pioneered a very high quality organized retail business in fine jewellery [pic] KEY STRATEGIC FACTORS IN RETAILING The key to success is identifying a superior value-promise and who is in a better position to do it than retailers? Retailers are the closest to the point of purchase and have access to a wealth of information on consumer shopping behaviour.

Retailers have some unique advantages for managing brands such as continuous and actionable dialogue with consumers, control over brand presentation at point-of-sale, control over shopping environment, display location/adjacencies, and signage. And they have used this advantage with tremendous success. [pic] As seen, the role of the intermediary is being diminished gradually, which has obvious implication of backlash of the trade channel upwards towards the suppliers. This is more severe in countries such as India, where the channel economics in favour of the middlemen is still strong enough given the fragmentation of the retail sector.

Therefore when FoodWorld, the largest grocer in India has a “ direct supply” contract with over 20% of its key suppliers, it gives rise to conflict of interest with the distribution infrastructure that suppliers have painstakingly built over the years. Thus companies like HLL have evolved a distinct distribution channel altogether (called “ Modern Trade”) to service the needs of such large grocers. Even the mom and pop stores (known as kirana shops) are affected due to this “ unfair” back-end advantage extended by the supplier to its leading accounts (the emerging supermarket chains).

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The strategies adopted by the retailer to compete with branded goods are illustrated by the following diagram. Branding the store and following a private label strategy is the key strategy which helps the retailer to compete with branded products. [pic] RETAIL SCENARIO IN INDIA Retail Realities: ? Unorganized market: Rs. 583, 000 crores ? Organized market: Rs. 5, 000 crores ? 5X growth in organised retailing between 2000-2005 ? Over 4, 000 new modern retail outlets in the last 3 years ? Over 5, 000, 000 sq. ft. of mall space under development The top 3 modern retailers control over 750, 000 sq. ft. of retail space ? Over 400, 000 shoppers walk through their doors every week ? Growth in organized retail on par with expectations and projections of the last 5 years: on course to touch Rs. 35, 000 crores (US\$ 7 Billion) or more by 2005-06 [pic] The Food Retail Industry in the Far East has evolved into what could be called ‘ the breeding ground’ for emerging models with countries like Singapore being the home to some of the big players in the industry in these parts of the world.

The presence of all the major players of the retailing industry is found in Singapore. Singapore has 2 hypermarkets, one run by Carrefour and the other by Giant Hypermarket, part of Dairy Farm International. According to the government, there are slightly more than 11, 000 market stalls operating in 150 markets located all across Singapore Island. The markets further spread to China, Thailand, and Malaysia thanks to the major support that the local governments provided in creating the necessary regulatory framework in establishing their presence.

Singapore, Malaysia and Thailand not only fueled the retail industry within the country, but also attracted hordes of tourists to experience the shopping

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“experiences” that they created in these islands. The markets are now saturated with no additional space for a new entrant and are expected to consolidate within the next few years. Apart from Singapore, which is a more recent development, Japan enjoys an active spot on the retailers’ map. The retail industry is as huge as US\$ 1088 Billion, with a split of US\$ 594.8 Billion in the non-food segment and US\$ 493. Billion in the food-retailing sector. The leaders in sales are Ito-Yokado, Aeon, Daiei, Takashimaya, and Uny, in that order. Several retailers, however, have made recent improvements in their warehousing and distribution technologies to make their presence felt in the Japanese market. Convenience stores, which are small and suitable in a country where land is very expensive, continue to do well. Food, in fact, has been one of the few sectors that have experienced growth over the last several years. A period of shake up in the industry is likely now that Wal-Mart has entered Japan.

Numerous smaller, less efficient retailers may become takeover targets. The entire Japanese retail sector will likely undergo some form of restructuring over the next decade as a result of overcapacity, dismal profits and the Wal-Mart factor. In Mainland China, the retail markets have mushroomed over the years of intense economic development to a very considerable size. The total volume of retail sales for consumer goods and food increased by 10.6 percent in China over the last couple of years which shows tremendous growth. Consumer spending has held strong.

CHALLENGES AHEAD FOR RETAILING The unorganized nature of retailing has stunted its growth over several years. “Lack of industry status affects financing prospects and stunts growth of the industry”, says Kishore Biyani, <https://assignbuster.com/amul-marketing-project-assignment/>

managing director, Pantaloon Retail India. In the current scenario, only players with deep pockets have been able to make it big. In addition to the advent of Internet, there are many other challenges which retailers have to address. ? Human Resources Availability of trained personnel and retaining the human resources is a major challenge for these big retailers.

The bigwigs like Crossroads offer high compensation and create a cohesive environment that makes an employee proud to be a part of such big retail chains. ? Space and Infrastructure To establish a retail shop / mall, the real estate and the infrastructure are very vital. The expenditure and availability on both the accounts do hinder the growth of the retail chain. The lack of secondary infrastructure also affects the logistics and supply chain management for retail companies. ? Absence of retailer friendly laws

India still does not have retail-friendly laws especially relating to the movement of goods from one state to another. Retailers need to put in a whole lot of products from different parts of the country – at times from outside the country – on the shelf. But question of multiple tax levels is an issue. Then there are laws like shops cannot be open for all seven days, shops have to be open after or close before a certain time which affects operations. ? Lack of technical know-how The Indian government does not encourage any foreign direct investment (FDI) in the retail industry.

FDI is normally one of the ways of getting technical inputs. And because of this dearth of FDI in this sector, development in terms of people, skills etc is happening the hard way. FUTURE PERSPECTIVE We should see fundamental shifts in the way Indians shop in the very near future. The Year 2003 could

well be a landmark year for organized Indian retailing. According to a recent study done by ETIG the organized retail industry is expected to grow by 30 per cent in the next five years and is expected to touch Rs. 45, 000 crore. Thus, the growth potential for the organized retailer is enormous.

In the next 2-3 years, India will finally see operations of a number of very serious international players – notwithstanding the current restrictions on FDI in retail. Metro from Germany is a very successful and resourceful retailer and their cash & carry format should offer a good run for money to others. Some others will also find perfectly legitimate ways to operate in India, for example, Marks & Spencer, Mango and Shoprite. CHANGE ACCELERATORS

The following factors will be significant in driving growth in the retail sector: ? Consumer factors & Increase in income ? Working women ? Changes in lifestyle ??? demand for “ global” trends Supply side factors ? Growing importance of retailing in political and economic agenda ? Major restructuring of the manufacturing sector easing product supply constraints for efficient retailing ? Reduction in import duties-offering more global sourcing options. WHICH CATEGORIES WILL GROW? The single biggest opportunity in India in organized retailing is bound to be food and groceries; it is in this sector that the largest amount of consumer spends is concentrated. This sector has maximum opportunity for investments and entrepreneurs to come in and try to make the supply chain a little more efficient.

Consumer durables is another promising sector because, with increasing purchasing power, consumers tend to spend the most on this category. Also, there is nothing to prevent a company from putting up shops outside the city

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limits, because consumer durables are a premeditated purchase.

Furthermore, availability of finance options has increased spending in this sector. Third are home products – with increasing private ownership of homes by relatively young couples, across most major cities in India, national retail chains offering home furniture (and accessories) have great potential.

Finally, personal care products, pharmaceutical products, and healthcare services have tremendous growth potential. Recently, we have seen some interest from organized healthcare players like Max, Fortis, Birlas and the Reliance group WHERE IS THIS GROWTH GOING TO HAPPEN? The top 15 cities in India cater to 33 per cent of total urban population, but as high as 38 per cent of Sec A and B (the top two socio-economic consumer strata) urban population. The next 15 cities only add to another 7 per cent of Sec A and B population. So logically the focus will be restricted only to the top 15 cities.

Research conducted by KSA Technopak, shows that today 96 per cent of total organized retail is in the top 10 cities, of which the top six cater to 82 per cent. However, the rate of growth will be higher in the bottom four of the top 10, which will have a 20 per cent share by 2005 against the present share of 15 per cent. WHICH FORMATS WILL GROW? KSA Technopak's research suggests the top four formats to emerge in the next five years are:

- * Shopping Malls
- * Specialty Stores (in new categories such as office products, specialty food, optical and travel)
- * Departmental Stores

Supermarkets Recipe for Success ? Focus on the consumer: It is clear that consumers have changed and they are looking for something different.

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Understanding their evolving needs, aspirations and lifestyles is the underlying key to success for any retailer. The primary emphasis should be on access, experience and service and the secondary emphasis on product and price. There should be an effort to improve service by having better trained sales staff, better availability of products, and minor but important conveniences, e. g. delivery of goods either to the caror even home.

Collaborative advertising and promotion can then round off this effort ?

Brand the store: branding the store will increase volume and enhance customer loyalty. Branding is critical to maintaining competitive differentiation in an increasingly challenging retail environment. However, the brand needs to be clearly communicated to the customer. ? Develop private label brand: Private labels act as margin generators, increasing sales volume by positioning the label as providing higher perceived value to consumers. In the long run, they also increase the retailers' bargaining power with national brand suppliers.

Private labels generate customer loyalty by providing exclusive products, which works towards differentiation strategy, much sought after by the retailers. In terms of geography some entrepreneurs should put efforts in creating custom-developed solutions for tapping the rural and semi-urban spending potential. Even in non-metro urban centers, there are very good opportunities in looking at starting or expanding operations. Some cities that should see greater organized retail action in the future would be Ludhiana, Chandigarh, Lucknow, Nagpur, Ahmedabad, Surat, Pune, Kochi, Thiruvananthapuram, Guwahati and Bhubaneshwar.

In terms of format malls have a sustainable competitive advantage over other formats. Consumer preferences are shifting towards malls from traditional markets. As a result of consumer shifts, retailers also prefer to be located in malls in anticipation of higher footfall. KSA Consumer Outlook 2000SM shows that increasingly consumers prefer “ All Under One Roof” destination for shopping as well as eating out and entertainment. These findings together indicate an excellent potential for a mall with the following features: ? a superior well-managed leisure experience ? targeted at all members of the household comprising of shopping, dining and entertainment, all under one roof ? a wide range of products and services ? proximity to homes HOW CAN IT BE DONE? For a start, these retailers need to invest much more in capturing more specific market intelligence as well as almost real-time customer purchase behaviour information. The retailers also need to make substantial investments in understanding/acquiring some advanced expertise in developing more accurate and scientific demand forecasting models. Re-engineering of product-sourcing philosophies – aligned more towards collaborative planning and replenishment should then be next on their agenda.

The message, therefore, for the existing small and medium independent retailers is to closely examine what changes are taking place in their immediate vicinity, and analyze whether their current market offers a potential redevelopment of the area into a more modern multi-option destination. If it does, and most commercial areas in India do have this potential, it would be very useful to form a consortium of other such small

retailers in that vicinity and take a pro-active approach to pool in resources and improve the overall infrastructure.

The next effort should be to encourage retailers to make some investment in improving the interiors of their respective establishments to make shopping an enjoyable experience for the customer. CHAPTER-2 INDUSTRY & COMPANY PROFILE FOOD RETAIL IN INDIA Though with a population of a billion and a middle class population of over 300 millions organized retailing (in the form of food retail chains) is still in its infancy in the Country. India has been rather slow in joining the Organized Retail Revolution that was rapidly transforming the economies in the other Asian Tigers.

This was largely due to the excellent food retailing system that was established by the kirana (mom-and-pop) stores that continue meet with all the requirements of retail requirements albeit without the convenience of the shopping as provided by the retail chains; and also due to the highly fragmented food supply chain that is cloaked with several intermediaries (from farm-processor-distributor-retailer) resulting in huge value loss and high costs. This supplemented with lack of developed food processing industry kept the organized chains out of the market place.

The correction process is underway and the systems are being established for effective Business-to-Business (farmer-processor, processor-retailer) solutions thereby leveraging the core competence of each player in the supply chain. RETAIL MODELS IN INDIA: CURRENT & EMERGING The Indian food retail market is characterized by several co-existing types and formats. These are: 1. 1. The road side hawkers and the mobile (pushcart variety)

retailers. 2. 2. The kirana stores (the Indian equivalent of the mom-and-pop stores of the US), within which are: 1. . Open format more organized outlets 2. b. Small to medium food retail outlets. Modern trade ??? the organized retailers Within modern trade, we have: 1. 1. The discounter (Subhiksha, Apna Bazaar, Margin Free) 2. 2. The value-for-money store (Nilgiris) 3. 3. The experience shop (Foodworld, Trinethra) 4. 4. The home delivery (Fabmart)

While the focus of this note is on modern organized retail trade, we hereunder present insights into the smaller, semi and unorganized retailers. [pic]

Food retailing in India still remains a traditional business with the market dominated by small, independently operated neighbourhood stores. There are 12 million mom-and-pop stores in the country, well entrenched in their respective area of operation. But a closer look at the scenario shows that things are changing, slowly but surely. Organized food retailing is growing, and is evident with the presence of organized food retailers in malls across cities, as also in the form of neighbourhood stores.

Competition will only increase in this sector, with a number of domestic and foreign players have entered the market or else waiting for the right opportunity to do so. FOREIGN PLAYERS: A recent change in the regulatory landscape makes India an attractive destination for foreign retailers. Previous FDI rules prohibited direct ownership by foreign retailers. Recent legislations relaxes these rules; proposals under consideration call for ceilings of either 26% or 49% ownership.

International retailers eagerly pacing the sidelines will be quick to take advantage of these more favorable FDI rules. Wall-mart, Carrefour, Tesco and Casino are among those actively seeking local partners. In addition there are alternative routes for international players to enter the retail sector. These include establishing franchises, cash and carry model in whole sale market, joint ventures and licensing agreements. For example, SPAR, the world's leading food retailer has entered India through a license agreement with Radhakrishna(RK) Foodland Pvt Ltd.

Food land is a leading food distribution and logistics company in India and is currently the distribution partner for McDonalds India the arrangement between SPAR and RK Foodland leverages SPAR's experience of retailing in diverse communities and geographies, while RK Foodland brings to the venture its expertise and experience as managers of a comprehensive range of food services in India. DOMESTIC RETAILERS: At the same time, domestic retailers, both existing and new entrants, are increasing in size of their operations and capturing prime locations, specially in metros and other major cities in India. They are also enhancing their logistics and technology processes, and thus gearing up to face the competition from other local and foreign retailers. ROBUST FOOD SUPPLY CHAIN: In India modern food retail formats are still limited to a few cities or regions, thanks to the lack of facilities to support them. There are inherent inefficiencies and a disintegrated structure in the food supply chain. COMPANY PROFILE Gujarat Cooperative Milk Marketing Federation (GCMMF) is India's largest dairy food product marketing organization.

The federation supplies liquid milk to mother dairy Delhi, which is an important step in establishing a national milk grid. It has adopted standards and specifications that conform to the most stringent standards the world over. Cooperatives in Gujarat, which aims to provide remunerative returns to the farmers and also serve the interest of consumers by providing which are good value for money. For the 5th consecutive year federation has received the award for the nation's largest exporter of the dairy products.

Amul means “priceless” in Sanskrit. The brand name “Amul” from the Sanskrit “Amoolya” was suggested by a quality control expert Anand. Variants, all meaning “priceless” are found in several Indian languages. Amul products are in use in millions of homes since 1946. Amul Butter, Amul Milk Powder, Amul Ghee. Amulspray, Amul Cheese, Amul Chocolates, Amul Shrikand, Amul Ice Cream, Nutramul, Amul Milk and Amulya have made Amul a leading food brand in India. Today Amul is a symbol of many things of high-quality products sold at reasonable prices.

Of the genesis of a vast Co-operative network of the triumph of indigenous technology, of the marketing savvy of a farmer's organization. And of a proven model for dairy development. The federation distribution network has been strengthened with the addition of 1007 more wholesale dealers during last year. GCN” Ltd total wholesale dealers now stand at 3700, extending to reach more than 5, 00, 000 retailers. The brand loyalty and commitment of the wholesale dealers and retailers have made it possible for the products to reach consumers in the, remotest parts of our country.

BRAND AWARENESS IS HIGH:- The AMUL brand has a strong equity in milk products and GCMMF has managed to leverage on this brand equity and attained over 20% market share in Mumbai within a year of launch. AN OVERVIEW Gujarat Cooperative Milk Marketing Federation (GCMMF) is India's largest food products marketing organization. It is a state level apex body of milk cooperative in Gujarat which aims to provide remunerative returns to the farmers and also serve the interest of consumers by providing quality products which are good value for money

Members: | 12 district cooperative milk producers' Union | | No. of Producer Members: | 2. 28 million | | No. of Village Societies: | 11, 132 | | Total Milk handling capacity: | 6. 7 million liters per day | | Milk collection (Total – 2002-03): | 1. 6 billion liters | | Milk collection (Daily Average 2002-03): | 5. 08 million liters | | Milk Drying Capacity: | 510 metric Tons per day | | Cattle feed manufacturing Capacity: | 1450 Mets per day |

SALES TURNOVER Sales Turnover | Rs (million) | US \$ (in million) | | 1994-95 | 11140 | 355 | | 1995-96 | 13790 | 400 | | 1996-97 | 15540 | 450 | | 1997-98 | 18840 | 455 | | 1998-99 | 22192 | 493 | | 1999-00 | 22185 | 493 | | 2000-01 | 22588 | 500 | | 2001-02 | 23365 | 500 | | 2002-03 | 27457 | 575 | | 2003-04 | 28941 | 616 | | 2004-05 | 29225 | 672 | | 2005-06 | 37736 | 850 |

S. W. O. T ANALYSIS OF AMUL STRENGTHS: ??? Biggest sourcing base for milk and milk products in India. ??? India's best known local Brand across all categories. ??? Presence of a well-established distribution and delivery network for dairy products. Penetration pricing strategy ??? Amul is the price warrior in the dairy products market and currently has a very wide range to offer for all price points. ??? Research has shown that consumers in India prefer Dairy products rather than other and Amul has a wide portfolio in the dairy product segment. ??? Customer is

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most comfortable buying dairy products in the Value for Money segment and Amul is well present in this segment. ??? Amul has built up a formidable image as a brand in which generations of consumers have placed their trust.

WEAKNESS ??? Advertising is low profile, as the results of our survey show. Majority of respondents has not heard of Amul products. Competitor companies on the other hand are into heavy advertising and consequently, are popular. A major entry barrier Amul faces is Cadbury's and nestle heavy presence in the retail market in Delhi. Amul would have a tough time getting a foothold in the retail market. ??? As per our survey, retailers list a credible Replacement policy as a factor very high on their wish list. Amul has no replacement policy. ??? Retailers now demand freezers without having to pay any deposit. This is especially true of those retailers who already stock one or the other brands.

OPPORTUNITIES ??? 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. Amul has the opportunity to capture the more evolved young adults and children who are open to new products provided they meet their expectations. ??? Amul should direct its resources towards cashing in on Walls market development. ??? Distributors are dissatisfied with the margin & customer support services currently being provided in the market. This can be used to Amul's ??? Advantage. Mother Dairy is extremely apathetic to retailers and there is a gap to be exploited.

THREATS Amul might face threat from the local manufacturers in the low end of the market. ??? Product differentiation strategy has been very well received by the consumers and Mother Dairy is also pushing up its advertising pitch. We have identified Banquet Halls as a segment of the market, which Amul can exploit as the

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supply, is unorganized as yet and the owners are only concerned with the profit margin as the brand does not matter. As of now, local manufacturers supply to these banquet halls.

CHAPTER-3 OBJECTIVES & RESEARCH METHODOLOGY

OBJECTIVE OF THE STUDY

??? To create the new outlets for Amul dairy products in twin cities. ??? To increase the product line in the existing outlets. ??? To find market share of Amul dairy products comparing with competitors products. ??? To ascertain the attitudes of the retailers towards the Amul dairy products manufactured by Gujarat Co operative Milk Marketing Federation Limited.

SCOPE OF THE STUDY

The study is conducted on Amul dairy products manufactured by “ Gujarat Cooperative Milk Marketing Federation Limited. ” ??? The study is confined to the area of Hyderabad and a Secunderabad. ??? The sample of the respondents chosen for the study was kirana stores, general stores, super markets, pharmacies, bakery shops etc. , ??? The size of the sample was: 200.

METHODOLOGY

??? Using descriptive research design, this research was conducted. Respondents for this study includes owners of kirana stores, general stores, super markets, pharmacies, bakery shops etc. , in twin cities of Hyderabad and Secunderabad. Using convinient sampling, 200 of them were chosen to whom the questionnaires were administerd

PRIMARY DATA

A structured questionnaire was administered to the retailers. ??? The questionnaire consists of 13 questions. ??? Sample size ??? 200. ??? Sample area ??? Hyderabad & Secunderabad.

SECONDARY DATA

??? Websites [www. amul. com](http://www.amul.com) www. google. com ??? Product detailer of Amul.

STATISTICAL TOOLS

Frequencies and bar charts were used to analyze the data obtained from the questionnaires. SPSS was used to generate the frequencies and bar charts. These tools show the customer preference in numbers.

LIMITATIONS

??? The <https://assignbuster.com/amul-marketing-project-assignment/>

study is conducted on Amul dairy products manufactured by “ Gujarat Cooperative Milk Marketing Federation Limited. ” ??? The study is confined to the area of Hyderabad and Secunderabad. The sample of the respondents chosen for the study were only kirana stores, general stores, super markets, pharmacies, bakery shops etc. , ??? The size of the sample was: 200.

CHAPTER-4 DATA ANALYSIS & INTREPRETATION 1. TYPE OF AREA WHERE

| THE OUTLET IS LOCATED | Frequency | Percent |
|-----------------------|-----------|---------|
| Commercial area | 61 | 30.5 |
| Residential area | 73 | 36.5 |
| Near suburban market | 36 | 18.0 |
| Suburban market | 30 | 15.0 |
| Total | 200 | 100.0 |

[pic] From the above table and graph, it was found that the 36.5% of respondents prefer to visit a retail outlet located in the residential area than commercial area, suburban market or suburban residential. It was also found that 30.5% of the respondents preferred to visit a retail outlet located in the commercial area. 15% of the respondents preferred to visit suburban residential retail outlet.

| 2. TYPE OF OUTLET | Frequency | Percent |
|-------------------|-----------|---------|
| Pharmacy | 15 | 7.5 |
| Kirana stores | 109 | 54.5 |
| Supermarket | 31 | 15.5 |
| Bakery shop | 43 | 21.5 |
| Others | 2 | 1.0 |
| Total | 200 | 100.0 |

[pic] From the above table and graph, it was found that the more than half (54.5%) of the respondents prefer to buy the Amul products from a retail kirana stores rather than a pharmacy, supermarket, bakery or others.

It was also found that the next preference was given to bakery with 21.5% of the respondents opting to shop at this place. Only 7% of the respondents preferred to buy Amul products from pharmacy shop. 3. RANGE OF

| PRODUCTS BUYING | Frequency | Percent |
|-----------------|-----------|---------|
| 0-5 | 82 | 41.0 |
| 5-10 | 53 | 26.5 |
| 10-15 | 29 | 14.5 |
| 15-20 | 12 | 6.0 |
| 20-25 | 24 | 12.0 |
| Total | 200 | 100.0 |

| 100. 0 | [pic] From the above table and graph it was found that from the twenty five different Amul products available at the retail outlet most of the times it was 1 to 5 products were brought by the respondents (41. 0%). It was found that some of the respondents (12%) were buying as many as 20 - 25 items also.

4. AMUL PRODUCTS SALES VALUE PER MONTH

| Frequency | Percent |
|------------|--------------|
| 1000-3000 | 85 42. 5 |
| 3000-5000 | 61 30. 5 |
| 5000-7000 | 19 9. 5 |
| Above 7000 | 35 17. 5 |
| Total | 200 100. 0 |

[pic] From the above table and graph it was found that in the total sales of amul products per month 85 outlets i. e. 42. 5% carrying out sales between Rs1000 ??? Rs3000. 35 outlets i. e. 17. 5% carrying out sales above Rs7000 whereas 61 outlets i. e. 30. 5% carrying out sales between Rs3000-Rs5000 5.

STATE REASONS FOR SELLING AMUL PRODUCTS

| Frequency | Percent |
|-------------------------|--------------|
| Quality value for money | 38 19. 0 |
| Variety of products | 27 13. 5 |
| Salesman effort | 15 7. 5 |
| Customer demand | 120 60. 0 |
| Total | 200 100. 0 |

[pic]

From the above table and graph it was found that in the total sales of amul products per month 120 outlets i. e. 60% of retailers sell Amul products because of customer demand. 38 outlets i. e. 19% of the retailers sells Amul products based on quality value for money where as 15 outlets i. e. 7. 5% of retailers sells Amul products because of salesman suggestion. This indicates that there is huge pull for Amul products as the reasons in selling the product by the retailers is customer demand.

6. IS THE SUPPLY MATCHING

THE DEMAND

| Frequency | Percent |
|---------------------|--------------|
| Highly satisfied | 34 17. 0 |
| Satisfied | 80 40. 0 |
| Neutral | 43 21. 5 |
| Dissatisfied | 30 15. 0 |
| Highly dissatisfied | 13 6. 5 |
| Total | 200 100. 0 |

[pic] From the above table and

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graph it was found that most of the time the supply was according to the demand of the Amul Products. 40% of the retailers were satisfied that the supply was according to the demand. 7% of the retailers were highly satisfied that the supply was according to the demand. However, it was found that some of the retailers were dissatisfied with the supply on time when there was demand. 6. 5% of the retailers were highly dissatisfied. It is better if Amul reduces this gap between the demand and supply even though it is less. This shows that Amul can surely rectify and give a better supply

7. HOW OFTEN DO YOU GENERALLY RE-ORDER | | Frequency | Percent | | Every 2-3 days | 15 | 7.5 | | Every week | 149 | 74. | | Twice a month | 31 | 15.5 | | Monthly | 5 | 2.5 | | Total | 200 | 100.0 | [pic]

From the above table and graph it was found that 149 out lets nearly three fourths of the retailers' i. e. 74.5% of retailers reorder every week and only 5 out lets i. e. 2.5% of retailers reorders monthly. Where as 31 outlets i. e. 15.5% of retailers reorder twice in a month and 15 outlets i. e. 7.5% of retailers reorder every 2-3 days.

This indicates that the retail outlets keep their stocks limited and there is replenishment every week or every alternative week mostly. This helps us to understand that these retailers have a continues of flow of customers throughout the month.

8. REPLACEMENT OF DAMAGES | | Frequency | Percent | | Highly dissatisfied | 17 | 8.5 | | Dissatisfied | 109 | 54.5 | | Neutral | 41 | 20.5 | | Satisfied | 33 | 16. | | Total | 200 | 100.0 | [pic]

From the above table and graph it was found that 109 outlets more than half of the retailer i. e. 54.5% were dissatisfied with the replacement policy and 33 outlets i. e. 16.5% of the retailers were satisfied, 41 outlets i. e. 20.5% of the retailers

are being neutral. This is one grey area which Amul as to look into and find solution. 9 . PROMOTION SCHEMES | | Frequency | Percent | | Highly dissatisfied | 16 | 8. | | Dissatisfied | 83 | 41. 5 | | Neutral | 54 | 27. 0 | | Satisfied | 42 | 21. 0 | | Highly satisfied | 5 | 2. 5 | | Total | 200 | 100. 0 | [pic]

From the above table and graph it was found that in the total sales of amul products per month 83 outlets i. e. 41. 5% of the retailers are issatisfied with the promotion schemes of Amul products and 42 outlets i. e. 21% of the retailers were satisfied. Whereas 54 outlets i. e. 27% of the retailers were being neutral towards promotional schemes introduced by the company. This shows that the promotion schemes are really not attractive to the retailer.

10. SALES OF AMUL PRODUCTS | | Frequency | Percent | | Dissatisfied | 13 | 6. 5 | | Neutral | 37 | 18. 5 | | satisfied | 110 | 55. | | Highly satisfied | 40 | 20. 0 | | Total | 200 | 100. 0 | [pic]

From the above table and graph it was found that in the total sales of amul products per month 110 of the retailers more than half of the retailer i. e. 55% were satisfied by the sales of amul products in their outlets and only 13 retailers i. e. 6. 5% were dissatisfied. 37 of the retailers i. e. 18. 5% were neutral and 40 of the retailers i. e. 20% were highly satisfied. Amul can improve this condition and motivate the rest of the retailers and work towards making the rest of the retailer happy. 11.

PROFIT MARGINS ON AMUL PRODUCTS | | Frequency | Percent | | Highly dissatisfied | 28 | 14. 0 | | Dissatisfied | 108 | 54. 0 | | Neutral | 39 | 19. 5 | | Satisfied | 23 | 11. 5 | | Highly satisfied | 2 | 1. 0 | | Total | 200 | 100. 0 | [pic]

From the above table and graph it was found that in the total sales of amul products per month 108 outlets more than half of the retailers i. e. 54% of the retailers were dissatisfied with the profit margins on selling Amul

products in their outlet and only 23 outlets i. e. 11.5% of the retailers were satisfied. Whereas 28 outlets i. e. 14% of the retailers were highly dissatisfied and only 2 outlets i. e. 1% of the retailers were highly satisfied, remaining 39 i. e. 19.5% of the retailers were being neutral. So, from the above two tables it is clear that amul sales is good but the margins given by Amul is not really good.

12. SALESMEN EFFORT | Frequency | Percent | | Neutral | 47 | 23.5 | | Satisfied | 142 | 71.0 | | Highly satisfied | 11 | 5.5 | | Total | 200 | 100.0 | [pic] From the above table and graph it was found that 142 outlets i. e. 71% of the retailers were satisfied with the salesmen effort and 47 outlets i. e. 23.5% of the retailers were being neutral. This indicates that Amul sales personnel are really trained.

AMUL PRODUCTS Vs COMPETITORS

NUTRAMUL | | Frequency | Percent | | None | 7 | 3.5 | | Amul | 35 | 17.5 | | Cadburys | 134 | 67.0 | | Amul & Cadburys | 24 | 12.0 | | Total | 200 | 100.0 | [pic] From the above table and graph it was found that 134 outlets i. e. 67% of the retailers were selling Cadburys products and 35 outlets i. e. 17.5% of the retailers were selling Amul Nutramul.

BUTTER | | Frequency | Percent | | None | 10 | 5.0 | | Amul | 174 | 87.0 | | Others | 16 | 8.0 | | Total | 200 | 100.0 | [pic] From the above table and graph it was found that 174 outlets i. e. 87% of the retailers were selling Amul Butter and only 16 outlets i. e. 8% of the retailers were selling other brands butter.

MITHAIMATE | | Frequency | Percent | | None | 58 | 29.0 | | Amul | 75 | 37.5 | | Nestle | 60 | 30.0 | | Amul&Nestle | 7 | 3.5 | | Total | 200 | 100.0 | [pic] From the above table and graph it was found that 75 outlets i. e. 37.5% of the retailers were selling Amul mithaimate and 60 outlets i. e. 30% of the retailers were selling Nestle

product. CHEESE

| Frequency | Percent | None |
|-------------|---------|-------|
| 22 | 11.0 | |
| Amul | 169 | 84.5 |
| Amul&Others | 9 | 4.5 |
| Total | 200 | 100.0 |

[pic] From the above table and graph it was found that 169 outlets i. e. 84.5% of the retailers were selling Amul Cheese and only 9 outlets i. e. 4.5% of the retailers were selling other brands Cheese.

CHOCOLATE

| Frequency | Percent | None |
|-----------------|---------|-------|
| 4 | 2.0 | |
| Amul | 46 | 23.0 |
| Cadburys | 108 | 54.0 |
| Nestle | 9 | 4.5 |
| Amul & Cadburys | 12 | 6.0 |
| Amul&Nestle | 2 | 1.0 |
| Amul&Others | 3 | 1.5 |
| Amul&Cad&Nestle | 16 | 8.0 |
| Total | 200 | 100.0 |

[pic] From the above table and graph it was found that 108 outlets i. e. 54% of the retailers were selling Cadbury's Chocolates and only 46 outlets i. e. 23% of the retailers were selling only Amul Chocolates. Whereas 9 outlets i. e. 4.5% of the retailers were selling only Nestle Chocolates.

GHEE

| Frequency | Percent | None |
|-------------|---------|-------|
| 55 | 27.5 | |
| Amul | 19 | 9.5 |
| Vijaya | 50 | 25.0 |
| Others | 54 | 27.0 |
| Amul&Vijaya | 14 | 7.0 |
| Amul&Others | 8 | 4.0 |
| Total | 200 | 100.0 |

[pic] From the above table and graph it was found that 50 outlets i. e. 25% of the retailers were selling Vijaya Ghee and 19 outlets i. e. 9.5% of the retailers were selling only Amul Ghee. Whereas 14 outlets i. e. 7% of the retailers were selling both Amul and Vijaya Ghee.

SHAKTHI

| Frequency | Percent | None |
|-------------|---------|-------|
| 42 | 21.0 | |
| Amul | 28 | 14.0 |
| Nestle | 7 | 3.5 |
| Others | 116 | 58.0 |
| Amul&Others | 7 | 3.5 |
| Total | 200 | 100.0 |

[pic] From the above table and graph it was found that 28 outlets i. e. 14% of the retailers were selling Amul Shakthi and 7 outlets i. e. 3.5% of the retailers were selling Nestle product. Whereas 116 outlets i. e. 58% of the retailers were selling other brands.

AMULYA

| Frequency | Percent | None |
|-------------|---------|-------|
| 37 | 18.5 | |
| Amul | 83 | 41.5 |
| Nestle | 67 | 33.5 |
| Others | 1 | 0.5 |
| Amul&Nestle | 12 | 6.0 |
| Total | 200 | 100.0 |

[pic] From the above table and graph it was

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found that 83 outlets i. e. 41.5% of the retailers were selling Amul Amulya and 67 outlets i. e. 33.5% of the retailers were selling Nestle product.

AMULSPRAY | | Frequency | Percent | | None | 55 | 27.5 | | Amul | 72 | 36.0 |
| Nestle | 63 | 31.5 | | Amul&Nestle | 10 | 5.0 | | Total | 200 | 100.0 | [pic]

From the above table and graph it was found that 72 outlets i. e. 36% of the retailers were selling Amulspray and 63 outlets i. e. 31.5% of the retailers were selling Nestle product.

GULABZAM | | Frequency | Percent | | None | 65 | 32.5 | | Amul | 28 | 14.0 | | Others | 107 | 53.5 | | Total | 200 | 100.0 | [pic]

From the above table and graph it was found that 107 outlets i. e. 53.5% of the retailers sells other brands Gulabjam and only 28 outlets i. e. 14% of the retailers sells Amul Gulabjam. 65 outlets i. e. 32.5% of retailers will not sell Gulabjam.

CURD | | Frequency | Percent | | None | 30 | 15.0 | | Amul | 42 | 21.0 | | Nestle | 3 | 1.5 | | Vijaya | 47 | 23.5 | | Others | 58 | 29.0 | |

Amul&Nestle | 5 | 2.5 | | Amul&Others | 15 | 7.5 | | Total | 200 | 100.0 | [pic]

From the above table and graph it was found that 42 outlets i. e. 21% of the retailers sells Amul Curd. 47 outlets i. e. 23.5% of the retailers sells vijaya Curd where as 58 outlets i. e. 29% of the retailers sells other companies curd product.

BUTTERMILK | | Frequency | Percent | | None | 17 | 8.5 | | Amul | 66 | 33.0 | | Vijaya | 40 | 20.0 | | Others | 56 | 28.0 | | Amul&Others | 21 | 10.5 | |

Total | 200 | 100.0 | [pic] From the above table and graph it was found that

66 outlets i. e. 33% of the retailers sells Amul Butter Milk. 40 outlets i. e.

20% of the retailers sells vijaya Butter Milk where as 21 outlets i. e. 10.5% of the retailers sells Amul and other Butter Milk.

F. MILK | | Frequency | Percent | | None | 14 | 7.0 | | Amul | 67 | 33.5 | | Vijaya | 48 | 24.0 | | Others | 61 | 30.5 | |

Amul&Vijaya | 5 | 2.5 | | Amul&Others | 5 | 2.5 | | Total | 200 | 100.0 |

[pic] From the above table and graph it was found that 67 outlets i. e. 33.5%

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of the retailers sells Amul F. Milk. 48 outlets i. e. 24% of the retailers sells vijaya F. Milk where as 5 outlets i. e. 2. % of the retailers sells both Amul and Vijaya F. Milk and 5 outlets i. e 2. 5% of the retailers sells Amul and other F. Milk products.

| MILK | Frequency | Percent |
|-------------|-----------|---------|
| None | 19 | 9.5 |
| Amul | 28 | 14.0 |
| Vijaya | 87 | 43.5 |
| Others | 55 | 27.5 |
| Amul&Vijaya | 11 | 5.5 |
| Total | 200 | 100.0 |

[pic] From the above table and graph it was found that 28 outlets i. e. 14% of the retailer's sells only Amul milk and the major share i. e. 87 outlets (43.5% of retailers) sells only Vijaya milk. 11 outlets i. e. 5.5% of the retailers sells both Amul and Vijaya milk.

| F. CREAM | Frequency | Percent |
|----------|-----------|---------|
| None | 99 | 49.5 |
| Amul | 59 | 29.5 |
| Nestle | 31 | 15.5 |
| Others | 11 | 5.5 |
| Total | 200 | 100.0 |

[pic] From the above table and graph it was found that 59 outlets i. e. 29.5% of the retailers were selling Amul Fresh cream and 31 outlets i. e. 15.5% of the retailers were selling Nestle Fresh cream.

CHAPTER-5 FINDINGS & SUGGESTIONS FINDINGS ? Amul butter and Amul cheese occupies the incomparable highest market share. (87% & 85%) ?

The distribution channel is effective in Amul dairy products. ? Majority of the retailers are satisfied with supply channel(57%). ? Majority of the retailers are not satisfied with replacement policy(63%) and promotion schemes(49.5%) of Amul. ? Majority of the retailers preferring for offers. ? Majority of the retailers are preferring ? Cadbury's(65%)Chocolates & ? Health drink Nestle(51%) Milkpowder, Baby foods and Fresh cream ? Vijaya (45%) Milk, Flavouredmilk, Ghee compared to Amul. ? Majority of the retailers are not satisfied with profits(68%). ? We have identified and created 100 new outlets

for Amul. The remaining 7 products didn't have any competitors in the market.

Those 7 products are listed below 1. Amul lite 2. Delicious table margarine 3. panner 4. Pizza cheese 5. shrikhand 6. SMP 7. Lassi SUGGESTIONS AND

RECOMMENDATIONS ? Schemes and offers are very much important to boost

up the sales. ? In order to gain the competitive edge over the competitors, it

has to make efforts to improve the product features. ? In the months of

March ??? June, dairy products demand will be more because of summer. So

in these months there is a need to increase the production capacity. ? Amul

must take care of replacement policy. ? The company must continue its

efforts, in maintaining quality and taste as brand preferences are mainly

based on them. The company must provide displays to the retailers to keep

the Amul chocolates. ? The company wants to provide refrigerators to those

retailers who purchases Amul products in large quantity. ? Brand name plays

vital role to improve the sales. For that Amul has to endorse a brand

ambassador who is known to all. ? The company must continue its efforts in

maintaining quality and taste as brand preferences are mainly based on

them. CONCLUSION A Company with good brand image also needs to check

its other front line operations like distribution, advertisements and

promotions in order to maintain the market share. Amul is in the same

situation where there is a need to make some corrections in such operations.

It needs to look at distribution network, advertisements and benefits to those

concerned with sales. Such activities play a major role in boosting the sales

of the organization and thereby improving the overall performance. This may

even make the company invincible in the market for it has a good brand

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image. ANNEXTURE LIST OF PRODUCTS MARKETED Bread spreads: ??? Amul Butter ??? Amul Lite Low Fat Bread spread ??? Amul Cooking Butter Cheese Range: ??? Amul Pasteurized Processed Cheddar Cheese ??? Amul Processed Cheese Spread ??? Amul Pizza (Mozzarella) Cheese ??? Amul Shredded Pizza Cheese ??? Amul Emmental Cheese ??? Amul Gouda Cheese ??? Amul Malai Paneer (cottage cheese) ??? Utterly Delicious Pizza Mithaee Range (Ethnic sweets): Amul Shrikhand (Mango, Saffron, Almond Pistachio, Cardamom) ??? Amul Amrakhand ??? Amul Mithaee Gulabjamuns ??? Amul Mithaee Gulabjamun Mix ??? Amul Mithaee Kulfi Mix ??? Avsar Ladoos UHT Milk Range: ??? Amul Shakti 3% fat Milk ??? Amul Taaza 1. 5% fat Milk ??? Amul Gold 4. 5% fat Milk ??? Amul Lite Slim-n-Trim Milk 0% fat milk ??? Amul Shakti Toned Milk ??? Amul Fresh Cream ??? Amul Snowcap Softy Mix Pure Ghee: ??? Amul Pure Ghee ??? Sagar Pure Ghee ??? Amul Cow Ghee Infant Milk Range: ??? Amul Infant Milk Formula 1 (0-6 months) ??? Amul Infant Milk Formula 2 (6 months above) ??? Amulspray Infant Milk Food Milk Powders: ??? Amul Full Cream Milk Powder ??? Amulya Dairy Whitener ??? Sagar Skimmed Milk Powder ??? Sagar Tea and Coffee Whitener

Sweetened Condensed Milk: ??? Amul Mithaimate Sweetened Condensed Milk Fresh Milk: ??? Amul Taaza Toned Milk 3% fat ??? Amul Gold Full Cream Milk 6% fat ??? Amul Shakti Standardised Milk 4. 5% fat ??? Amul Slim & Trim Double Toned Milk 1. 5% fat ??? Amul Saathi Skimmed Milk 0% fat ??? Amul Cow Milk Curd Products: ??? Yogi Sweetened Flavoured Dahi (Dessert) ??? Amul Masti Dahi (fresh curd) ??? Amul Masti Spiced Butter Milk ??? Amul Lassee Chocolate & Confectionery: ??? Amul Milk Chocolate ??? Amul Fruit & Nut Chocolate Brown Beverage: ??? Nutramul Malted Milk Food Milk

Drink: ??? Amul Kool Flavoured Milk (Mango, Strawberry, Saffron, Cardamom, Rose, Chocolate) ??? Amul Kool Cafe

Health Beverage: ??? Amul Shakti White Milk Food AMUL DISTRIBUTION

SURVEY QUESTIONNAIRE Shop Name : _____ , Phone. no :

_____ 1. Type of area where the outlet is located A) Commercial Area ? B) Residential Area ? C) Near sub urban market Place ? D) Sub urban Residential ?

2. Type of outlet A) Pharmacy ? B) kirana store/General store/General merchant ? C) Super market ? D) Bakery shop ? E) Others

_____ 3. Range of products buying? A: 0-5[] B: 5-10[] C: 10-15[]

D: 15-20[] E: 20-25[] 4. Amul products sales value per month?

Approximately Rs: _____ Please tick (v) the appropriate response. |

| | | | n | Question | Response | Amul