

# [Amul essay 9](https://assignbuster.com/amul-essay-9/)

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Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world. It is also the world's biggest vegetarian cheese brand . Amul is the largestfoodbrand in India and world's Largest Pouched Milk Brand with an annual turnover of US $1050 million (2006-07). Currently Unions making up GCMMF have 2. 8 million producer members with milk collection average of 10. 16 million litres per day. Besides India, Amul has entered overseas markets such as Mauritius, UAE, USA, Bangladesh, Australia, China, Singapore, Hong Kong and a few South African countries.

Its bid to enter Japanese market in 1994 did not succeeded, but now it has fresh plans entering the Japanese markets. Other potential markets being considered include Sri Lanka. Dr Varghese Kurien, former chairman of the GCMMF, is recognised as a key person behind the success of Amul. On 10 Aug 2006 Parthi Bhatol, chairman of the Banaskantha Union, was elected chairman of GCMMF. 1. 1HISTORY The Gujarat Cooperative Milk Marketing Federation Ltd, Anand (GCMMF) is the largest food products marketing organisation of India. It is the apex organization of the Dairy Cooperatives of Gujarat.

This State has been a pioneer in organizing dairy cooperatives and our success has not only been emulated in India but serves as a model for rest of the World. Over the last five and a half decades, Dairy Cooperatives in Gujarat have created an economic network that links more than 2. 8 million village milk producers with millions of consumers in India and abroad through a cooperative system that includes 13, 141 Village Dairy Cooperative Societies (VDCS) at the village level, affiliated to 13 District Cooperative Milk Producers’ Unions at the District level and GCMMF at the State level.

These cooperatives collect on an average 7. 5 million litres of milk per day from their producer members, more than 70% of whom are small, marginal farmers and landless labourers and include a sizeable population of tribal folk and people belonging to the scheduled castes. The turnover of GCMMF (AMUL) during 2008-09 was Rs. 67. 11 billion. It markets the products, produced by the district milk unions in 30 dairy plants, under the renowned AMUL brand name. The combined processing capacity of these plants is 11. 6 million litres per day, with four dairy plants having processing capacity in excess of 1 million Litres per day.

The farmers of Gujarat own the largest state of the art dairy plant in Asia – Mother Dairy, Gandhinagar, and Gujarat - which can handle 2. 5 million litres of milk per day and process 100 MTs of milk powder daily. During the last year, 3. 1 billion litres of milk was collected by Member Unions of GCMMF. Huge capacities for milk drying, product manufacture and cattle feed manufacture have been installed. All its products are manufactured under the most hygienic conditions. All dairy plants of the unions are ISO 9001-2000, ISO 22000 and HACCP certified.

GCMMF (AMUL)’s Total Quality Management ensures the quality of products right from the starting point (milk producer) through the value chain until it reaches the consumer. Ever since the movement was launched fifty-five years ago, Gujarat’s Dairy Cooperatives have brought about a significant social and economic change to our rural people. The Dairy Cooperatives have helped in ending the exploitation of farmers and demonstrated that when our rural producers benefit, the community and nation benefits as well. The Gujarat Cooperative Milk Marketing Federation Ltd. cannot be viewed simply as a business enterprise.

It is an institution created by the milk producers themselves to primarily safeguard their interest economically, socially as well as democratically. Business houses create profit in order to distribute it to the shareholders. In the case of GCMMF the surplus is ploughed back to farmers through the District Unions as well as the village societies. This circulation of capital with value addition within the structure not only benefits the final beneficiary – the farmer – but eventually contributes to the development of the village community. This is the most significant contribution the Amul Model cooperatives have made in building the Nation. . 2the three-tier Amul model The Amul Model is a three-tier cooperative structure. This structure consists of a Dairy Cooperative Society at the village level affiliated to a Milk Union at the District level which in turn is further federated into a Milk Federation at the State level. The above three-tier structure was set-up in order to delegate the various functions; milk collection is done at the Village Dairy Society, Milk Procurement & Processing at the District Milk Union and Milk & Milk Products Marketing at the State Milk Federation.

This helps in eliminating not only internal competition but also ensuring that economies of scale are achieved. As the above structure was first evolved at Amul in Gujarat and thereafter replicated all over the country under the Operation Flood Programme, it is known as the ‘ Amul Model’ or ‘ Anand Pattern’ of Dairy Cooperatives. Responsible for Marketing of Milk & Milk Products Responsible for Procurement & Processing of Milk Responsible for Collection of Milk Responsible for Milk Production. Village Dairy Cooperative Society (VDCS)

The milk producers of a village, having surplus milk after own consumption, come together and form a Village Dairy Cooperative Society (VDCS). The Village Dairy Cooperative is the primary society under the three-tier structure. It has membership of milk producers of the village and is governed by an elected Management Committee consisting of 9 to 12 elected representatives of the milk producers based on the principle of one member, one vote. The village society further appoints a Secretary (a paid employee and member secretary of the Management Committee) for management of the day-to-day functions.

It also employs various people for assisting the Secretary in accomplishing his / her daily duties. The main functions of the VDCS are as follows: ? Collection of surplus milk from the milk producers of the village & payment based on quality & quantity ? Providing support services to the members like Veterinary First Aid, Artificial Insemination services, cattle-feed sales, mineral mixture sales, fodder & fodder seed sales, conducting training on Animal Husbandry & Dairying, etc. ? Selling liquid milk for local consumers of the village ? Supplying milk to the District Milk Union

Thus, the VDCS in an independent entity managed locally by the milk producers and assisted by the District Milk Union. District Cooperative Milk Producers’ Union (Milk Union) The Village Societies of a District (ranging from 75 to 1653 per Milk Union in Gujarat) having surplus milk after local sales come together and form a District Milk Union. The Milk Union is the second tier under the three-tier structure. It has membership of Village Dairy Societies of the District and is governed by a Board of Directors consisting of 9 to 18 elected representatives of the Village Societies.

The Milk Union further appoints a professional Managing Director (paid employee and member secretary of the Board) for management of the day-to-day functions. It also employs various people for assisting the Managing Director in accomplishing his / her daily duties. The main functions of the Milk Union are as follows: ? Procurement of milk from the Village Dairy Societies of the District. ? Arranging transportation of raw milk from the VDCS to the Milk Union. ? Providing input services to the producers like Veterinary Care, Artificial Insemination services, cattle-feed sales, mineral mixture sales, fodder & fodder seed sales, etc. Conducting training on Cooperative Development, Animal Husbandry & Dairying for milk producers and conducting specialised skill development &LeadershipDevelopment training for VDCS staff & Management Committee members. ? Providing management support to the VDCS along with regular supervision of its activities. ? Establish Chilling Centres & Dairy Plants for processing the milk received from the villages. ? Selling liquid milk & milk products within the District. ? Process milk into various milk & milk products as per the requirement of State Marketing Federation. ? Decide on he prices of milk to be paid to milk producers as well on the prices of support services provided to members. State Cooperative Milk Federation (Federation) The Milk Unions of a State are federated into a State Cooperative Milk Federation. The Federation is the apex tier under the three-tier structure. It has membership of all the cooperative Milk Unions of the State and is governed by a Board of Directors consisting of one elected representative of each Milk Union. The State Federation further appoints a Managing Director (paid employee and member secretary of the Board) for management of the day-to-day functions.

It also employs various people for assisting the Managing Director in accomplishing his daily duties. The main functions of the Federation are as follows: 1. Marketing of milk & milk products processed / manufactured by Milk Unions. 2. Establish distribution network for marketing of milk & milk products. 3. Arranging transportation of milk & milk products from the Milk Unions to the market. 4. Creating & maintaining a brand for marketing of milk & milk products (brand building). 5. Providing support services to the Milk Unions & members like Technical Inputs, management support & advisory services. . Pooling surplus milk from the Milk Unions and supplying it to deficit Milk Unions. 7. Establish feeder-balancing Dairy Plants for processing the surplus milk of the Milk Unions. mmon purchase of raw materials used in manufacture / packaging of milk products. The dairy industry in India and particularly in the State of Gujarat looks very different. India for one has emerged as the largest milk producing country in the World. Gujarat has emerged as the most successful State in terms of milk and milk product production through its cooperative dairy movement.

The Kaira District Cooperative Milk Producers’ Union Limited, Anand has become the focal point of dairy development in the entire region and AMUL has emerged as one of the most recognized brands in India, ahead of many international brands. Today, we have around 176 cooperative dairy Unions formed by 1, 25, 000 dairy cooperative societies having a total membership of around 13 million farmers on the same pattern, who are processing and marketing milk and milk products profitably, be it Amul in Gujarat or Verka in Punjab, Vijaya in Andhra Pradesh or a Nandini in Karnataka.

This entire process has created more than 190 dairy processing plants spread all over India with large investments by these farmers’ institutions. These cooperatives today collect approximately 23 million kgs. of milk per day and pay an aggregate amount of more than Rs. 125 billion to the milk producers in a year. 2. OBJECTIVES OF STUDY 1. To ascertain the effectiveness of advertisements towards the sales of Amul chocolate. 2. To know the range of products, offered by the company. 3. To know the relationship of sales with theadvertisement. 4. To know awareness of people towards Amul chocolates. 5.

To know which advertisement tool is mostly preferred by people. 6. To know the preference of Amul chocolates with comparison to other competitive brands. 7. To know the factors which affects consumer’s buying behaviour to purchase chocolates. 8. To know the market position of AMUL as a brand. Plants First plant is at ANAND, which is engaged in the manufacturing of milk, butter, ghee, milk powder, flavoured milk and buttermilk. [pic] Second plant is at MOGAR, which engaged in manufacturing chocolate, Nutramul, Amul Ganthia and Amul lite. [pic] Third plant is at Kanjari, which produces cattelfeed. pic] Fourth plant is at Khatraj, which engaged in producing cheese. [pic] Today, twelve dairies are producing different products under the brand name Amul. Today Amul dairy is no. 1 dairy in Asia and no. 2 in the world, which is matter of proud for Gujarat and whole India. 3. RESEARCH METHODOLOGY There are two sources used for methodology: 1. Primary sources 2. Secondary sources Primary sources: A primary source is the most direct place you can find the information you want to write about. For example, Census. gov would be an article detailing the number would not be considered primary.

Some other examples of primary sources are peer reviewed research publications, journals, diaries, legal documents, government records, original maps, photographs, original manuscripts, institutional records, or national archives. Secondary sources: secondary source of information is one that was created later by someone . Examples of secondary sources include literary criticism, biographies, encyclopaedia articles, and journal articles critiquing the work of others. There are of two types: 1. Internal sources: publish broachers, official reports etc. 2.

External sources: periodicals, journals, newspapers, internet. RESEARCH PROBLEM ¬ Increase the awareness level of AMUL CHOCOLATE. ¬ Seek the general perception of consumer towards AMUL CHOCOLATE. ¬ To find the performance of AMUL CHOCOLATE vis-a-vis other brands. ¬ To know the consumer psyche and their behaviour towards AMUL CHOCOLATE. Information requirement · First, I had to know about all the competitors present in the chocolate segment (Reputed and well established brands as well as Local brands). · Before going for the survey I had to know the comparative prices of all the competitors existing in the market. Since chocolate is a product that attracts children and youngsters hence I had to trace the market and segment it, which mainly deals with people of various age groups. · As chocolate is different product, the main information needed is the various types of chocolates available in the market, their calorific value and various other facts. · As Amul chocolate advertisements are mainly done through hoardings but on television the advertisement is being telecasted timely and on the proper time or not. AMUL CHOCOLATE is made from Sugar, Cocoa Butter, Milk Solids, Chocolate mass.

Composition: · Milk Fat 2% · Sugar 55% · Total Fat 32. 33% (Milk Fat + Cocoa Fat) · Cocoa Solids 7. 5% · Milk Solids 20% RESEARCH INSTRUMENT USED - DETAILS If one wants to know what type of dentifrice people use, what they think of, television commercials, or why they buy particular brands of cars, the natural procedure is to ask them. Thus, the questionnaire method has come to be the more widely used of the two data collection method. A questionnaire consists of list of questions to be asked from the respondents and the space provided to record the answer / responses.

Questionnaire can be used for the personal interviews, focus groups, mails and telephonic interviews. The choice among these alternatives is largely determined by the type of information to be obtained and by the type of respondents from whom it is to be obtained. The common factor in all varieties of the questionnaire method is this reliance on verbal responses to question, written or oral. Questionnaire in the project consists of: ? Multiple choice questions ? Dicthomus MULTIPLE CHOICE QUESTIONS: Questions of this type offer the respondents an alternative to choose the right answer among others.

It is faster, time saving and less biased. It also simplifies the tabulating process. OPEN END QUESTIONS: In this type respondents are free to answer in their own words and express the ideas they think are relevant, such questions are good as first questions or opening questions. They introduce the subject and obtain general reaction. DICTHOMUS: These are the questions which are Boolean in nature. These answers are straightforward and respondents have to answer them in a straight way. That means the answer can only be either ‘ Yes” or ‘ No’. SAMPLING TECHNIQUE USED & SAMPLE SIZE 1.

Sampling Technique: Non probability sampling 2. Sample Unit: People who buy chocolates available in retail outlets, superstores, etc 3. Sample size: 100 respondents (Age ranging between 15 yrs to 65 yrs) 4. Method: Directinterviewthrough questionnaire. 5. Data analysis method: Graphical method. 6. Area of survey: Delhi 7. Timing of survey: 9. 00 am to 12. 30 pm and 5. 00 pm to8. 00 pm. The software used for compiling of records and analysing the data is: Microsoft Excel and microsoft Word. 5. MARKET ANALYSIS PRIMARY TABULATION & INTERPRETATION [1] What kind of Chocolate do you eat?

Branded 92 % Non-branded 08% [pic] INFERENCE 92% respondents in the region of Delhi consume Branded Chocolates, while 8% still consume non branded. [2] Who uses chocolates in yourfamily? Children 34 % Teenager 33 % Young 26 % Old 07 % [pic] INFERENCE Mostly children & teenagers like chocolates in families. So we should laystresson children & teenager segment to increase market share. Young people also use chocolates for giving as a gift. [3] What form of Chocolate do you like? Cookies 14% Bar 60% Wafer 20% Other 06% [pic] INFERENCE The above diagram suggests that the most preferred form is bar i. . 60%, followed by wafer i. e. 20%, Cookies are all time favourites with 14% while other forms are preferred to the extent of 6%. [4] Do you buy chocolates watching advertisements? YES 88% NO 12% [pic] INFERENCE The above diagram shows that 88% of the people are influenced by advertisements for purchase of chocolates, whereas 12% are not. [5] Which Television channel you like to watch most? STAR 50 ZEE 15 SONY 10 CARTOON 20 Others 5 [pic] INFERENCE Mostly people like STAR channel. This channel is very popular among all the age group people. SONY & CARTOON channels are also popular but not as STAR.

In other channels sports and news channels are preferred. CARTOON channel is specially preferred by children. So it will be more beneficial to give advertisements on STAR & CARTOON channels, it covers all the age groups. [6] In between what time you like to watch television? Timings \_\_\_\_\_\_\_\_\_\_\_\_\_ 5 to 8 pm 33 % 8 to 11 pm 37 % Late Night 10 % Morning 15 % Afternoon 05 % [pic] INFERENCE From the survey it was found that 37% of the respondents like to watch T. V. after 8 pm to 11 pm. Because Mostly people belong to service class & females in the families got their work by this time.

At 5 to 8 pm 33% respondents in which especially children watch cartoon channel & etc. so it is good to advertise on preferred channels on these timings. [7] By which media you prefer to watch advertisements? Television 67 % Hoardings 17 % Newspapers 08 % Magazines 05 % Others (Mention) 03% [pic] INFERENCE Mostly people like to watch an advertisement through Television because most of them belong to service class. Children are getting attracted through advertisement on television and hoardings. Company tries to give attractive advertisement through T. V. and hoardings because advertisement through hoardings is less costly. 8] What factors effects you in a chocolate advertisement? Brand ambassador 20 Jingles 35 Comedy15Music10 Emotions 15 Others (Mention) 05 [pic] INFERENCE Jingles leave a long lasting impression; people were able to recall a lot of jingles associated with chocolates. Also, the brand ambassador and the comedy in the advertisement can be effective to create an impression in people’s mind. [9] Have you ever tasted Amul Chocolate? Yes 90 % No 10 % [pic] INFERENCE The chart shows that 90% respondents have tasted Amul Chocolate, while still 10% have not tried Amul Chocolates.

Amul must use proper techniques in order to cater the needs of every common man. [10] Can you recall AMUL Chocolate advertisement? Yes 32 % No 68% [pic] INFERENCE Here it was observed that only 32% respondents in the city of Delhi were able to recall Amul Chocolate advertisement. This shows how much Amul lags behind in promotional activities and advertisement. Therefore Amul must use strong promotional activities and advertisement in order to retain their potential Consumers. [11] Which Chocolate do you like most? Nestle 28% Cadbury 58% Amul 13% Any other 01% [pic] INFERENCE

We can clearly gauge from the pie chart that Cadbury being on the top slot with 58% market share dominates the chocolate market, followed by Nestle with 28% share, whereas Amul have only 13% market share and thus lags behind. [12] What is the frequency of purchasing Chocolate? Daily 17 % Weekly 22 % Fortnightly 13 % Occasionally 48 % [pic] INFERENCE The frequency of chocolate differ a lot where 17% respondents buy it daily, 22% weekly, 13% fortnightly, and there is a huge chunk of people who buy chocolate occasionally. [13] How do you scale your chocolate? [pic] INFERENCE

The above diagram can be inferred as follows: CADBURY: people are highly satisfied with the taste of the Cadbury chocolate and its availability is also very good as compared to any other brand. However the price of Cadbury is not very satisfactory. NESTLE: the Nestle chocolates are not easily available however people seem to be quite satisfied with its taste. AMUL: people seem to be satisfied with the prices but, the chocolates lacks in easy availability and taste. OTHERS: these comprise of the non branded chocolates or smaller brands, people are satisfied with its price but not with the taste and availability.

MY FINDINGS: ? Lack of awareness in consumers, many people does not know about Amul chocolates including children and teenagers. ? During the survey it was found that still there are 10% people who have not tasted Amul Chocolate. ? When I interviewed people then many among them could not recall Amul chocolate advertisement. It shows Lack of promotion or advertisement is not timely given or advertisement is not given on right time. ? Amul is not using any brand ambassador in its advertisement which attracts people of all age group, specifically teenagers. There is lack of sales promotional activities , for example : free tattoo, Extra weight, toys, quiz contest etc.. ? As I found that the main product of Amul is Milk and company firstly wants to capture maximum market share in milk market which is approx. 66%, after that Amul is concentrating upon butter & cheese which has market share of approx. 88%, so it is not concentrating upon chocolates. ? Cadbury is main competitor and strategically better performer then Amul. ? I found that “ Amul” brand name has very good image in consumer’s mind and they consider it as pure & good product. People who have tasted Amul Chocolate are not ready to purchase the same again. 6. LIMITATIONS 1. Non-cooperative approach and rude behaviour of the respondents. 2. When I interviewed children and teenagers, sometimes they use to give answers under the influence of their parents or elders. 3. People were not willing to answer and give their time to fill the questionnaire because of the summer season. 4. If the respondents answer does not falls between amongst the options given then it will turn up to be a biased answer. 5.

The respondents had to be made understand the questions because the questionnaire was in English and not all respondents could understand it well. 7. CONCLUSION As we know that Amul is a very big organization and market leader in dairy products. It has maximum market share in Milk, Butter and Cheese, which are its main/core products. As we know Amul is a co-operative organisation but chocolate industry is a profitable industry which can’t be ignored. With the help of research, company can find out its week points in chocolate product and can increase its market share through rectify mistakes.

People have believed in Amul’s product and they will accept its chocolates also if effective actions are taken. The survey resulted into following conclusions: ? Amul must come up with new promotional activities such that people become aware about Amul Chocolates like Chocozoo, Bindaaz, and Fundoo. ? Quality is the dominating aspect which influences consumer to purchase Amul product, but prompt availability of other chocolate brands and aggressive promotional activities by others influences the consumer towards them and also leads to increase sales. In comparison to Amul Chocolate, the other players such as Cadbury, Nestle, and Perfetti provide a better availability and give competition to the hilt. ? People are mostly satisfied with the overall quality of Amul Chocolate, but for the existence in the local market Amul must use aggressive selling techniques. 8. SCOPE OF IMPROVEMENT In order to maintain and increase the sales in the city of Delhi, the following recommendations regarding Amul Chocolates; particularly regarding advertisement, distribution, promotional policies, etc, are hereby suggested: ?

First and foremost Amul should take proper action in order to improve its service, because although being on a top slot in butter and milk supplies it does not get the sales in chocolate, which it should get. ? Company should use brand ambassador which attracts each age segment i. e. Sania Mirza, Shaktimaan, Amitabh Bacchan, Superman, Krrish, Jadoo etc. ? Try and change the perception of the people through word of mouth about Amul in advertisements, because they are the best source to reach Children and families. ? Though Amul chocolate advertisements are rarely shown on television yet many people could recall it as per the data of research.

It shows that there is only need to give advertisement only to rememorize customers. Because Amul is a very strong brand name. ? Company should launch chocolate in new attractive packing to change image of Amul chocolate in consumers mind. ? Company should introduce sales promotion schemes like free weight, pranky, tattoo, contest, free gifts etc. ? Advertisement can be done with the help of animations that attracts children and teenagers because chocolates are consumed largely in this segment. ? Company should launch chocolates in new flavours like – Mix Fruit Pineapple Elaichi Coffee Strawberry Banana