

# Amul Butter : Marketing Mix

Report by Group 6



as part of the course

MBA631A : Marketing Management

at the

Industrial and Management Engineering Department,

Indian Institute of Technology Kanpur.

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### ABSTRACT

Amul Butter has developed itself as the most trusted butter brand of our country and has marked its presence in most of the Indian households, restaurants, eateries, etc. In this report, we have done an analysis on the marketing mix for our selected product, **Amul Butter**. The marketing mix analysis consists of 4Ps- Product, Price, Place and Promotion. We have touched upon each of these Ps in detail based on certain parameters, with additional focus to those which were provided to us in the guidelines.

### PRODUCT

Amul Butter is one of the major offerings from the brand Amul. The product comes in 4 different specifications of packaging- packets of 10 g, 20 g, 50 g, 100 g and 500 g. The nutritional specifications of Amul butter can be seen here:-

Nutritional Information ( Amount per 100 g)
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Energy kcal	722
Energy from Fat kcal	720
Total Fat g	80
Saturated Fat g	51
Cholesterol mg	180
Sodium mg	836
Total Carbohydrates g	0
Sugar g	0
Protein g	0.5
Vitamin A mcg	650

Amul butter enjoys a good reputation in terms of quality and taste it offers, compared to its competitors in the market. Amul Girl is the famous mascot for this product, used in its promotion. The first ad for the product with the word ‘Thoroughbread’ along with Amul’s slogan ‘Utterly Butterly Delicious’, was made in 1967 where the Amul girl riding a horse was shown. It can be used in various ways in our daily lives such as:

- Spread- Amul Butter is used as a spread on bread, parathas, roti, nans and sandwiches
- Toppings-They can also be used as a topping for Pav bhaji, dal, soup, salads, rice,etc
- Ingredient- They are also used as an ingredient for making cakes, biscuits and bread
- Cooking medium- Amul Butter can also be considered as a cooking medium for various delicious recipes like Butter paneer masala, Butter corn masala,etc

## PRICE

In this section, our workflow would be primarily based upon the guidelines provided to us, where we would first touch upon the comparison of prices of Amul butter with its rival brands in Indian markets. Then, we would conduct a brief qualitative analysis of Amul Butter's value perception among its market competitors to conclude the section.

We will be making a comparison of the prices of Amul butter with its prime competitors. For the purpose of this comparison, we would consider the prices of packets of 100 grams and 500 grams for all the brands under consideration. We chose these specifications for our analysis because these two packets are widely used in Indian households. Among the wide varieties of butter available in the market, we have selected salted butter for our study as it is pretty prevalent among the Indian middle class and consumers in general, having more relevance in our domestic market than any other butter variant.

The brands for which prices are mentioned along with those of Amul Butter are-

1. President Premium Butter.
2. Nandini Butter.
3. Gowardhan Butter.
4. Britannia Butter.
5. Patanjali Butter.
6. Mother Dairy Butter.
7. Verka Butter.

The Amul logo is displayed in a stylized, white, gothic-like font. It is centered within a light pink rectangular background that is part of a larger graphic element.

This pricing schema depicts that Amul Butter remains on the lower side in terms of prices compared to its competitors, with only Nandini butter having a price lower than it.

S NO.	BUTTER BRAND	PRICE (100 grams)	PRICE (500 grams)
1.	Amul Butter	Rs. 48	Rs. 265
2.	President Premium Butter	Rs. 60	Rs. 350
3.	Nandini Butter	Rs. 41	Rs. 255
4.	Gowardhan Butter	Rs. 52	Rs. 280

5.	Britannia Butter	Rs. 65	Rs. 355
6.	Patanjali Butter	Rs. 56	Rs. 275
7.	Mother Dairy Butter	Rs. 48	Rs. 285
8.	Verka Butter	Rs. 48	Rs. 280

When we talk about the value perception of a brand, we have to keep in mind the fact that consumers gauge any product from a brand on different parameters before purchasing it, and in the case of butter, the parameters usually considered by Indian consumers are mainly:-

- (i) colour
- (ii) appearance
- (iii) flavour
- (iv) body and texture
- (v) packaging

These all are sensory-based parameters on which consumers gauge a butter based on their sensory experience with the product. Consumers in India rarely care about butter composition, making this list exhaustive for the value perception analysis. A study conducted by Consumer Voice, a member of Consumers International, London, gauges butter of different brands in India based on these sensory parameters and reveals that Amul was the top performer in all parameters with Mother Dairy butter, President Premium butter, and Britannia butter also coming close to it. But, with Amul butter being on the lower side in terms of price compared to these brands, it scores well in terms of overall value for consumers.

## PLACE

Amul has a three-tiered co-operative structure. At the bottom are the village level dairy co-operatives which sources the milk from milk producers. As of 2022, there are 18,600 village societies that source milk from close to 3.5 million farmers. These are affiliated to the District Milk Co-operative Unions, which process the milk and use it to make different milk products, one of which is Amul Butter. 18 District Co-operative Milk Producer Unions are members of

Amul in India, each of which average around 25 million liters of milk per day. These come under the State Level Milk Federation, which is responsible for marketing these products.

Currently, Amul Butter reaches the consumers through two channels, namely Retailers and Online Home Delivery Contractors. These are supplied by wholesaler dealers which receive Amul Butter from the District Unions in insulated trucks. According to Amul's website, there are close to 1 million retailers and 10,000 dealers that sell Amul products, butter being one of them. Amul also has its own direct retail shops, called Amul Preferred Outlets or Amul Parlors that sell butter and other Amul products. Customers can also purchase Amul butter through online platforms such as Big Basket, Blinkit, Jiomart, etc.

Butter from the manufacturing units of the District unions is transported to company depots in special trucks that store the butter and other frozen foods below  $-18^{\circ}\text{C}$ . These trucks have a carrying capacity of 9 to 18 Metric Tons. Carrying any less than this would be uneconomical for the company so sometimes when the quantity ordered is less, other products are also supplied in these trucks. From there, it is dispatched to the wholesale dealers in insulated TATA 407 trucks which carry anywhere from 3-5 Metric Tons of Amul products. The wholesalers deliver the products to retailers through tempos, rickshaws, auto-rickshaws and bikes. The high volume of products transported at each step allows Amul to minimize the cost of transportation and helps them keep the prices of their dairy products including amul butter low.

The wide availability of Amul butter through retail shops, online home delivery platforms and parlors makes it very accessible and increases convenience for the customers purchasing Amul butter.

## PROMOTION

Amul butter has successfully employed a comprehensive promotional marketing mix to establish its presence in the market. In my opinion, the aim of the brand was always to make the brand so popular that Amul butter became synonymous with butter and when we think of buying butter the only brand the customers could think of should be Amul butter. For that the brand has

implemented some aggressive promotional strategies comprising advertisements, sales promotion and public relations.

Amul butter has focussed on fresh and innovative advertisements. We all have seen the famous Amul girl mascot in its advertisement campaign. The character, which can be seen singing the jingle “*utterly, butterly delicious.....Amul*”, was created by Mr. Eustace Fernandes, and has been quite popular in Indian households. Another interesting aspect of this ad campaign is Amul girl acting as an **informant of current affairs**, at times taking a subtle dig on the issues as well. These commercials help Amul stay relevant in the market and drive home a point on the issues, garnering acceptability from households. It’s a brilliant and timeless strategy which has a fan following of itself.

The advertisements are not just limited to TV commercials but have been broadcast on all types like billboards, newspapers, magazines and title sponsors of many famous TV shows.

The current brand positioning of Amul butter is “*Amul butter, Asli butter*”. Through this brand positioning, Amul wants to portray its butter as the butter of the common people because it is delicious, accessible, affordable and is of good quality. There are 5 TV commercials for Amul butter all of which have one thing in common, all these ads will show people from all age groups, sectors and places from all over the country pairing Amul butter with different cuisines, with a very catchy song in the background. By this approach the brand targets a large audience to address and also sends a clear message of how good the quality and versatility of the product is and how price effective it is when they show people using Amul butter in places as small as a street side Dhabas to people using it in 5 star restaurants. This shows how easily accessible and good the brand is.

Other promotional strategies that the brand has acquired are product placement strategies and Influencer marketing. Amul the parent company sponsored famous TV shows like Amul: The taste of India, where famous celebrity Chef like Sanjeev Kapoor is shown to make simple simple recipes using Amul butter which imbibes a sense of trust amongst the viewers of the show about the product quality. Amul has also been the title sponsor for MasterChef India where they used the product placement strategy by showing the contestants use Amul butter to make their dishes which solidifies the brand trust for the viewer.

In today's time, the lifestyle of India's urban population has become more sedentary and stressful. Because of this, there is growing awareness of the importance of health and wellness and people are making lifestyle decisions accordingly. Taking advantage of this, a number of brands have popped up like Patanjali, Gowardhan, etc. which claim that their butter has significant health benefits and does not contain artificial additives.

To capture the market of this health conscious section of butter consumers, we suggest a new positioning for Amul butter, "*Amul butter. Swaad bhi, Swasthya bhi.*" This brand positioning effectively advertises Amul butter as a good quality butter that is made with clean and natural ingredients. They can also showcase the nutritional value of the butter, highlighting the presence of essential vitamins such as vitamin A, D and E. There can also be an emphasis on Amul butter being a source of healthy fats, including Omega-3 and Omega-6 fatty acids.

Amul can utilise the power of '**Ethos**'- credibility, in their marketing campaign for this new brand positioning where they can showcase trusted nutritionists and health experts recommending their butter as a healthy product, with emphasis on how it benefits the body with host of vitamins, healthy fats and antioxidants, prompting even health conscious consumers to enjoy it.



The Taste of India

Currently, Amul has 85% market share among all the butter brands in India. This obviously means that the current brand positioning has been quite successful. Therefore Amul should not completely replace its existing brand position. This brand positioning should only be targeted towards people who are more health and fitness conscious. They can do this by collaborating with fitness influencers and wellness bloggers, as well as advertising in health and wellness magazines. They can also employ targeted advertising tools to help them with precision marketing.



In conclusion, Amul Butter has mastered the art of promotional marketing mix to establish a strong market presence. The brand's promotion and communication strategies are closely linked, with its advertisements and communication efforts consistently reinforcing its brand values and promises. Amul has successfully built a loyal customer base and positioned itself as a trusted and beloved brand in India.

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