

**A**  
**FINAL YEAR PROJECT REPORT**  
**ON**  
**Market Analysis of AMUL Products**

**SUBMITTED TO:**



**BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY**  
**(A CENTRAL UNIVERSITY)**

**IN PARTIAL FULLFILMENT OF THE REQUIREMENT FOR THE**  
**AWARD OF DEGREE OF**  
**BACHELOR'S OF COMMERCE (Hons.)**  
**2019-22**

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### **CERTIFICATE**

This is to certify that the project report entitled “**Market Analysis of AMUL Products**” is the bonafide work of **Harsh Upadhyay, Roll No. (194345), 6<sup>TH</sup> SEMESTER B.COM. (HONS.), (2019-22)** of the Department of Commerce of Babasaheb Bhimrao Ambedkar University, Lucknow, (A Central University), carried out under my supervision

**PLACE: LUCKNOW**

**Date: \_/\_/\_ \_**

**SUPERVISOR**

**Prof. (Dr.) Amit Kumar Singh  
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## **DECLARATION**

I, Harsh Upadhyay, hereby declare that the project work entitled **“Market Analysis of AMUL Products”** submitted to Babasaheb Bhimrao Ambedkar University-Lucknow is a record of an original work done by me under the guidance of Prof. (Dr.) Amit Kumar Singh. This project work is submitted in the partial fulfillment of the requirements for the award of the degree of Bachelor of Commerce. The results embodied in this report have not been submitted to any other university or institute for the award of any degree or diploma.

## **ACKNOWLEDGEMENT**

I take this opportunity to express my profound and deep sense of gratitude to our reverend preceptor, Prof. (Dr.) Amit Kumar Singh for his exemplary guidance, monitoring and constant encouragement throughout the course of this report. He has been kind enough to extend his best ablest supervision and guidance at every step in accomplishing this work. It is due to his insurmountable enthusiasm, untiring effort and constructive criticism throughout this project that it has been able to attain the present form. I also express my profound and deep sense of gratitude to the management of “**Amul**” for giving me the opportunity and providing me the facilities to undergo the training in their branch. I would also like to thank my parents as well as my friends who have helped me in all possible ways in making this project presentable.

**Harsh Upadhyay**

**B.COM (HONS)**

**6<sup>th</sup> semester**

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## **EXECUTIVE SUMMARY**

This project was undertaken with the objective “Market Analysis of AMUL Products” in some area of South Delhi. The study was conducted at AMUL India Ltd, NEW DELHI.

A sample size of 30 was taken from Sagar pur , Janak puri, Vikas puri,dwarka, Palam, Najafgarh, Mahavir enclave, bharthal for the study, whose responses were studied and interpreted .The research approach was observation and survey. The process of analysis was done on the basis of responses.

It was found that major area faces a serious problem of milk curdling within 24 hrs. which reduces the sales of Amul pouched milk. This problem is noticed only on those areas where the supply of the milk comes from Softe plant of Amul. This problem directly affects other factors.

As per the research we found that demand of **AMUL** product is very high. According to the research it was a direct interaction with the retailers as well as customers. In the form of personal interaction from retailers and customers we came to know about the thinking of customers regarding Amul and its products as gone for a positive response than its competitors.

## **FMCG:- Industry Overview**

- **Indian FMCG sector** size poised to reach **US\$ 47 bn** by 2013 and **US\$ 74 bn** by 2018, growing annually at **10-12%**.
- By 2025, total **consumption** is **likely to quadruple** making India the 5<sup>th</sup> largest consumer market.
- **Organized retail** is expected to **grow by 14-18%** by 2015 thereby boosting FMCG growth.
- **Indian rural market** currently worth **US\$ 9 bn** is expected to become a **US\$ 100 bn opportunity** by 2025
- Indian FMCG industry worth US\$ 29 bn roughly constitutes 2.2% of India's GDP. Within the FMCG sector, Food products are the largest consumption category.
- Strategic focus on rural marketing, innovations, niche consumer segments, exports,
- Life style products to further the current 10% annual sector growth.

## KEY PLAYERS

	Sales*(US\$ Mn)	Segments
HUL	3921.5	Personal care, Food products, Household, Baby care, Fabric care
Amul India	1771.1	Food and beverage products
Nestle India	1155.4	Food and beverage products
ITC	805.7	Personal care, Food products
Britannia	759.9	Food products
Dabur	635.9	Personal care, Food products, Household
Marico Industries	449.3	Personal care, Household, Food products
GSK Consumer	447.9	Food products, Personal care
Cadbury India	430.1	Food products
Colgate Palmolive	391.8	Personal care, Oral care
Procter & Gamble	388.5	Personal care, Household , Baby care, Fabric care
Godrej (GPCL)	280.5	Personal care, Fabric care

## GROWTH DRIVERS

- ✓ Increasing disposable income
- ✓ Growth in organized retail
- ✓ High consumer confidence
- ✓ Well established distribution network
- ✓ Consumer receptiveness to innovation
- ✓ Rapid urbanization and changing lifestyles

## CHALLENGES

- Diverse consumer preferences
- Increasing competition
- Rising logistics, procurement costs
- Ability to win rural consumers



### **Dairy industry: A profile (As per Jan 20, 2011)**

India is the world leader in milk production with total volume of 115 million tons. Driven by steady population growth and rising income, milk consumption continues to rise in India. Dairy market is currently growing at an annual growth rate of around 7 per cent in volume terms. The market size of Indian dairy industry stands at around US\$ 45 billion.

Since India's population is predominantly vegetarian; milk serves as an important part of daily diet. Indians use milk in various preparations such as in brewing tea and coffee, in making yogurt or curd and in preparing many Indian dishes. For most households, milk is also a popular beverage due to its nutritional value.

In India, rural households consume almost 50 percent of total milk production. Of the share of milk sold in the domestic market, almost 50 percent is consumed in fluid form, 35 percent is consumed as traditional products (cheese, yoghurt and milk based sweets), and 15 percent is consumed for the production of butter, ghee, milk powder and other processed dairy products (including baby foods, ice cream, whey powder, casein, and milk albumin).

Most dairy products are consumed in the fresh form and only a small quantity is processed for value addition. In recent years, however, the market for branded processed food products has expanded. Although only around 2 per cent food is processed in India, still the highest processing happens in the dairy sector, where 35 per cent of the total produce is processed, of which only 13 per cent is processed by the organised sector.

## KEY FACTS

65 per cent of the milk is sold in —loose form

Only 5 per cent of the milk is sold through

retail chains 70 per cent is delivered to the

homes by ‘milk agents’

Carton milk or packaged milk has been growing at 24 per cent annually

Most branded FMCG companies are keen on launching flavoured dairy products whose market size is pegged at US\$ 166 million

## PER CAPITA AVAILABILITY OF MILK

Year	Grams per day
2000-01	220
2005-06	241
2008-09	250*

*\*estimated, Source: Department of Animal Husbandry and dairying*

## SWOT Analysis of the Industry

<b><u>Strength</u></b>	<b><u>Weakness</u></b>
<p>Largest milk producer in the world</p> <p>A huge base of around 11 million farmers</p> <p>Traditional emphasis on consumption</p>	<p>Poor feeding practices</p> <p>Poor access to institutional credit Lack of cold storage facilities</p>
<b><u>Opportunity</u></b>	<b><u>Threat</u></b>
<p>Elastic demand; economic growth will spur demand</p> <p>Increasing preference for branded dairy products</p> <p>Growing focus on health and nutrients in urban market</p>	<p>Nearly 80 per cent of the Indian dairy industry is unorganized</p> <p>Removal of import duty has led to the threat of dumping</p>

## PORTER COMPETITIVE ANALYSIS

- Threat of competition is high as there are no entry barriers and consequently there are many brands and local players making up the competitive rivalry
- Threat of substitutes is low as milk is an essential item for beverages like tea, coffee etc. Also traditional consumption habits make milk a favourite with most households in India
- Bargaining power of suppliers is low because suppliers mainly comprise rural households and small co-operatives
- Bargaining power of consumers is high because of competition in the organized sector and large unorganized market in rural areas.

### MAIN PLAYERS

<b>Milk products</b>	Branding Refrigerat ion	Inadequat e infrastruct ure	Increase in per capita income
<b>Infant mil</b>	Educat ion  Marke ting	Poor penetration	Changing food habits

**Milk products** - Amul, Mother Dairy, Britannia, Vijaya, Verka and Vadilal

**Cheese products**- Amul, Britannia, Dabur (Le Bon) are the leading players. Other prominent players include Verka, Nandini, Vijaya and Vadilal

**Dairy Whiteners** - Nestle, Amul, Britannia, Dynamix Dairy, Sterling

Agro, Haryana Milk Foods, Mohan Food, Modern Dairy, Mother Dairy.

## **REGULATORY CHANGES**

Dairy sector was de-licensed in 1991

No industrial license is required fro dairy industry.

Foreign equity participation permitted to the extent of 51 per cent in dairy processing sector

Excise duty on dairy machinery has been fully waived off.

### **KEY LEGISLATIONS:-**

Milk and Milk Products Order 1992: With following controls

- Collection areas/milk sheds specified
- Processing capacity fixed

Revised MMPO in 2002: Controls stand withdrawn

The production, distribution and supply of milk products are controlled by the Milk and Milk Products Order, 1992. The order sets sanitary requirements for dairies, machinery, and premises, and includes quality control, certification, packing, marking and labeling standards for milk and milk products.

The Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Act, 1992 and Rules 1993

## COMPANY PROFILE OF AMUL

**AMUL** means "*priceless*" in Sanskrit. The brand name "Amul," from the Sanskrit "Amoolya," was suggested by a quality control expert in Anand. Variants, all meaning "priceless", are found in several Indian languages. Amul products have been in use in millions of homes since 1946. Amul Butter, Amul Milk Powder, Amul Ghee, Amulspray, Amul Cheese, Amul Chocolates, Amul Shrikhand, Amul Ice cream, Nutramul, Amul Milk and Amulya have made Amul a leading food brand in India. (Turnover: Rs. 52.55 billion in 2007-08). Today Amul is a symbol of many things. Of high-quality products sold at reasonable prices.

*50 years after it was first launched, Amul's sale figures have jumped from 1000 tonnes a year in 1966 to over 25,000 tonnes a year in 1997. No other brand comes even close to it. All because a thumb-sized girl climbed on to the hoardings and put a magical spell on the masse*

AMUL stands  
for, A = Anand  
M = Milk  
U =  
Union L =  
Limited

Amul (Anand milk union ltd.) is abased on four hands, which are coordinated with each other. The actual meaning of this symbol is co-ordination of four hands of different people by whom this union is at the top position in Asia.

- ✚ First hand is of farmers, without whom the organization would not have existed.
- ✚ Second hand is of processors, who process the raw material (milk) into finished goods.
- ✚ Third hand is of marketer, without whom the product would have not reached the customers
- ✚ Fourth hand is of customers, without whom the products would have not carried on.

## BASIC INFORMATION

**Company Name:** Amul India (Gujarat Co-operative Milk Marketing Federation Ltd.)

**Business Type:** Manufacturer

**Product/Services:** Infant Milk Food, Skimmed Milk Powder, Butter, Cheese (Cheddar, Mozzarella, Emmental, Gouda), Cheese spreads, Ghee, Condensed Milk, Chocolates, malted milk food, Breads, fresh milk, UHT milk, Ice-cream.

**Address:** Amul Dairy Road

**Number of Employees:** 501 - 1000 People

**URL:** <http://www.Amul.com>

## OWNERSHIP & CAPITAL

**Year Established:** 1973

**Representative/Business Owner:** B M Vyas

## Trade & Market

	North	America
	South	America
	Western	Europe
	Eastern	Europe
<b>Main Markets:</b>	Eastern	Asia
	Southeast	Asia
	Mid	East
	Africa	
	Oceania	

**Total Annual Sales Volume:** Above US\$100 Million

## Factory Information

**No. of R&D Staff:** Above 100 People



## **BRIEF HISTORY OF AMUL**

AMUL (Anand Milk Union Limited), formed in 1946, is a dairy cooperative movement in India. It is a brand name managed by an apex cooperative organization, Gujarat Co-operative Milk Marketing Federation Lt. (GCMMF), which today is jointly owned by some 2.6 million milk producers in Gujarat, India.

AMUL is based in Anand, Gujarat and has been a sterling example of a co-operative organization's success in the long term. It is one of the best examples of co-operative achievement in the developing world.

"Anyone who has seen ... the dairy cooperatives in the state of Gujarat, especially the highly successful one known as AMUL, will naturally wonder what combination of influences and incentives is needed to multiply such a model a thousand times over in developing regions everywhere. ||

The Amul Pattern has established itself as a uniquely appropriate model for rural development. 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 largest food brand in India and world's Largest Pouched Milk Brand with an annual turnover of US \$1050 million (2006-07). Currently Amul has 2.6 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 had not succeeded, but now it has fresh plans of flooding the Japanese markets. Other potential markets being considered include Sri Lanka.

Dr Verghese Kurien, former chairman of the GCMMF, is recognized as the man behind the success of Amul. On 10 Aug 2006 Parthi Bhatol, chairman of the Banaskantha Union, was elected chairman of GCMMF.

## **AMUL : THE ORIGIN**

The mighty Ganges at its origin is but a tiny stream in the Gangotri ranges of the Himalayas. Similar is the story of Amul which 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 a trickle compared to the flood it has become today. Today Amul collects processes and distributes over a million liters of milk and milk products per day, during the peak, on behalf of more than a thousand village cooperatives owned by half a million farmer members.

## **THE START OF REVOLUTION**

The revolution started as awareness among the farmers that grew and matured into a protest movement and the determination to liberate them. Over four decades ago, the life of a farmer in Kaira District was very much like that of his counterpart anywhere else in India. His income was derived almost entirely from seasonal crops. The income from milch buffaloes was undependable. The marketing and distribution system for the milk was controlled by private traders and middlemen. As milk is perishable, farmers were compelled to sell it for whatever they were offered. Often, they had to sell cream and ghee at throwaway prices. In this situation, the one who gained was the private trader. Gradually, the realization dawned on the farmers that the exploitation by the trader could be checked only if marketed their milk themselves. In order to do that they needed to form some sort of an organization. This realization is what led to the establishment of the Kaira District Cooperative Milk Producers' Union Limited (popularly known as Amul) which was formally registered on December 14, 1946.

The Kaira Union began pasteurizing milk for the Bombay Milk Scheme in June 1948. An assured market proved a great incentive to the milk producers of the district. By the end of 1948, more than 400 farmers joined in more village societies, and the quantity of milk handled by one Union increased from 250 to 5,000 liters a day.

## **AMUL'S SECRET OF SUCCESS:**

The system succeeded mainly because it provides an assured market at remunerative prices for producers' milk besides acting as a channel to

market the production enhancement package. What's more, it does not disturb the agro system of the farmers. It also enables the consumer an access to high quality milk and milk products. Contrary to the traditional system, when the profit of the business was cornered by the middlemen, the system ensured that the profit goes to the participants for their socio-economic upliftment and common good. Looking back on the path traversed by Amul, the following features make it a pattern and model for emulation elsewhere. Amul has been able to:

- ✚ Provide a support system to the milk producers without disturbing their agro- economic systems
- ✚ Even though, growing with time and on scale, it has remained with the smallest producer members. In that sense, Amul is an example par excellence, of an intervention for rural change.
- ✚ Bring at the command of the rural milk producers the best of the technology and harness its fruit for betterment
- ✚ Produce an appropriate blend of the policy makers farmers board of management and the professionals: each group appreciating its roles and limitations
- ✚ Plough back the profits, by prudent use of men, material and machines, in the rural sector for the common good and betterment of the member producers andThe Union looks after policy formulation, processing and marketing of milk, provision of technical inputs to enhance milk yield of animals, the artificial insemination service, veterinary care, better feeds and the like - all through the village

societies. The village society also facilitates the implementation of various production enhancement and member education programs undertaken by the Union. The staff of the village societies has been trained to undertake the veterinary first-aid and the artificial insemination activities on their own.

### **THE WINNING EDGE**

Three aspects of India's modern dairy sector are particularly note worthy.

#### **VAST MARKET-**

In Indian context there is vast market available. It's focus is the increasingly affluent middle class, numbering more then 300 million which is confined to well-defined urban pockets & is easily accessible. Milk occupies pride of place as the most coveted food in the Indian diet, after wheat & rice. Milk- based sweets are a culinary delight in all homes through out the year

#### **CO-OPERATIVE SYSTEM –**

The milk production is pre-dominantly rooted in the co-operative system. Its focus is on the small rural farmers having one or two cows/buffaloes yielding 3-5 liters of milk per animal. This system is the basis of Operation Flood, the world's largest dairy movement program.

## **PROFITABLE MARKETING –**

The preferred dairy animal is the buffalo. Some 65 % of the world buffalo milk is produced in India. Value for its high fat content is 7% w.r.t. 3.5% that of cow. It is also high in calcium, phosphorous, lactose & proteins. Thus Buffaloes milk is the delight of the milk processing for its more profitable handling.



Amul was formed on Dec. 14, 1946 by an apex co-operative organization, Gujarat Co-operative Milk Organization ( GCMMF ). Amul based in Anand, Gujarat has been a sterling example of a co-operative organization's success in the long run. It was suggested by quality control experts. Amul has spurred the Operation Flood of India, which has made India the largest producer of milk & milk products in the world.

Dr. Verghese Kurien former chairman of the GCMMF is recognized as the man behind the success of AMUL. On 10 August 2006 Parth Bhatol was elected chairman of GCMMF.

Amul is an embodiment of faith in the ability of our farmers to break the shackles of poverty & to create a socio-economic revolution in rural India. Through the ‘Anand Pattern’, our farmers demonstrated to the world, the key to successful ‘Management Of Development’. Anand Pattern is an innovative three tier structure combines the hard working farmers with professional management & modern technology.

Slowly & gradually Amul has also expanded its distribution network across the country. Currently, there are 3,500 distributors for value added milk products & 1800 distributors for fresh milk to ensure that Amul products are available to all segments of consumers in India through more than 20 lakhs outlets. GCMMF has expanded its network to more than 4,000 parlors across various towns & cities of the India.

### **MISSION**

After achieving the new milestone of Rs.6,700 crores, now Amul has set new mission. Federation chairman Parthi Bhatol has mentioned about –Mission 2020. It envisages that the dairy co-operative of Gujarat will have a total turnover of Rs.27000 crores by the year 2020. They also plan to double the processing capacity of dairy plant to 20.7 million kg.per day.

### **Cooperative Milk Marketing Federation**

#### **GCMMF: An Overview**

Cooperative Milk Marketing Federation (GCMMF) is India's largest food products marketing organization. It is a state level apex body of milk cooperatives 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.

CRISIL, India's leading Ratings, Research, Risk and Policy Advisory company, has

assigned its highest ratings of "AAA/Stable/P1+" to the various bank facilities of GCMMF.

<b>Member"s</b>	13 district cooperative milk producers' Union
<b>No. of Producer Members:</b>	2.9 million
<b>No. of Village Societies:</b>	15,322
<b>Total Milk handling capacity:</b>	13.07 million litres per day
<b>Milk collection (Total - 2009-10):</b>	3.32 billion litres
<b>Milk collection (Daily Average 2009-10):</b>	9.10 million litres
<b>Milk Drying Capacity:</b>	647 Mts. per day
<b>Cattlefeed manufacturing Capacity:</b>	3740 Mts. per day



## Sales figure of AMUL

	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
2006-07	42778	1050
2007-08	52554	1325
2008-09	67113	1504
2009-10	74800	1700

## INTRODUCTION

a) Aim & Establishment of the company:

- It all began when milk became a symbol of protest
- Founded in 1946 to stop the exploitation by middlemen
- Inspired by the freedom movement

The seeds of this unusual saga were sown more than 65 years back in Anand, a small town in the state of Gujarat in western India. The exploitative trade practices followed by the local trade cartel triggered off the cooperative movement. Angered by unfair and manipulative practices followed by the trade, the farmers of the district approached the great Indian patriot Sardar Vallabhbhai Patel for a solution. He advised them to get rid of middlemen and form their own co-operative, which would have procurement, processing and marketing under their control.

In 1946, the farmers of this area went on a milk strike refusing to be cowed down by the cartel. Under the inspiration of Sardar Patel, and the guidance of leaders like Morarji Desai and Tribhuvandas Patel, they formed their own cooperative in 1946.

This co-operative, the Kaira District Co-operative Milk Producers Union Ltd. began with just two village dairy co-operative societies and 247 litres of milk and is today better known as Amul Dairy. Amul grew from strength to strength thanks to the inspired leadership of Tribhuvandas Patel, the founder Chairman and the committed professionalism of Dr Verghese Kurien, who was entrusted the task of running the dairy from

1950.

The then Prime Minister of India, Lal Bahadur Shastri decided that the same approach should become the basis of a National Dairy Development policy. He understood that the success of Amul could be attributed to four important factors. The farmers owned the dairy, their elected representatives managed the village societies and the district union, Â they employed professionals to operate the dairy and manage its business. Most importantly, the co-operatives were sensitive to the needs of farmers and responsive to their demands.

At his instance in 1965 the National Dairy Development Board was set up with the basic objective of replicating the Amul model. Dr. Kurien was chosen to head the institution as its Chairman and asked to replicate this model throughout the country.

### **MISSION STATEMENT**

— W e a t GCMMF (Gujarat Co-operative milk Marketing Federation) endeavor to satisfy the taste and nutritional requirements of the customers of the world, through excellence in marketing by our committed team. Through co- operative networking, we are committed to offering quality products that provide best value for money.¶

## **PRODUCT LIFE CYCLE STAGES**

A product passes through distinct stages during its life in market, each posing different challenges, opportunities and problems. Profits rise and fall at different stages of the product life cycle. There are four different stages of product life cycle, namely

1. INTRODUCTION STAGE
2. GROWTH STAGE
3. MATURITY STAGE
4. DECLINE STAGE

Different products of AMUL are in different stages in the product life cycle.

Products like milk, butter, chocolate and cheese are in the maturity stage, while ice-creams, chocolates and shrikhand are still in the growth stage. On the other hand, products like milk powders, infant food, frozen food items and mix are in introduction stage.

The company adopts aggressive selling techniques for those products which are in the introductory stage, while very less promotional programmes are carried out for those products which are in the growth or maturity stage.

## **PRODUCT RANGE**

A vast varieties of products are offered by AMUL which are as follows: BREADSPREADS

Amul Butter

Amul Lite Low Fat

Breadspread Amul Cooking

Butter

## **CHEESE RANGE**

Amul Pasteurized Processed Cheddar

Cheese Amul Processed Cheese

Spread

Amul Pizza (Mozarella)

Cheese Amul Shredded

Pizza Cheese Amul

Emmental Cheese

Amul Gouda Cheese

Amul Malai Paneer (cottage cheese) Frozen  
and Tinned 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

## **MILK RANGE**

Amul Taaza 3% fat

Milk Amul Gold

4.5% fat Milk

Amul Slim-n-Trim 0% fat

milk Amul Chocolate

Milk

Amul Fresh Cream

Amul Snowcap Softy Mix

Amul Taaza Double Toned Milk

## **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 3%

fat Amul Smart Double Toned Milk

1.5% fat

## **CURD PRODUCTS**

Amul Masti Dahi (fresh

curd) Amul Butter Milk

Amul Lassi

## **AMUL ICECREAMS**

- **Royal Treat Range** (Rajbhog, Cappuchino, Chocochips, Butterscotch, Tutti Frutti)
- **Nut-o-Mania Range** (Kaju Drakshi, Kesar Pista, Roasted Almond, Kesar Carnival, Badshahi Badam Kulfi, Shista Pista Kulfi)
- **Utsav Range** (Anjir, Roasted Almond)
- **Simply Delicious Range** (Vanilla, Strawberry, Pineapple, Rose, Chocolate)
- **Nature's Treat** (Alphanso Mango, Fresh Litchi, Anjir, Fresh Strawberry, Black Currant)

- **Sundae Range** (Mango, Black Currant, Chocolate, Strawberry)
- **Millennium Icecream** (Cheese with Almonds, Dates with Honey)
- **Milk Bars** (Chocobar, Mango Dolly, Raspberry Dolly, Shahi Badam Kulfi, Shahi Pista Kulfi, Mawa Malai Kulfi, Green Pista Kulfi)
- **Cool Candies** (Orange, Mango)
- **Cassatta**
- **Tricone Cones** (Butterscotch, Chocolate)
- **Megabite Almond Cone**
- **Frostik** - 3 layer chocolate Bar
- **Fundoo Range** - exclusively for kids
- **SlimScoop Fat Free Frozen Dessert** (Vanilla, Banana, Mango, Pineapple)

## **CHOCOLATE & CONFECTIONERY**

- Amul Milk Chocolate
- Amul Fruit & Nut Chocolate
- Amul Eclairs

## **BROWN BEVERAGE**

- Nutramul Malted Milk Food



## **SWOT ANALYSIS**

### **STRENGTH:**

1. Corporate Image.
2. Diversified product line.
3. Dedicated work force.
4. Totally integrated operation.
5. Good for sightedness and long term vision.
6. Low capital cost
7. Brand Power.
8. High quality product.
9. Customer as well as customer support.

### **WEAKNESS:**

1. Supply is not regular.
2. Distribution of Amul pouch milk is not proper in some of areas
3. Co-ordination of company or retailer is not proper.

4.-Weak management support and less effective customer care|| said some retailers.

### **OPPORTUNITIES:**

1. With the liberalization new avenues of exploiting open market economy are being open up.
2. Being the oldest co-operative society use their brand name as already being leader in dairy products, the other competitors are very far behind AMUL.
3. New product from Amul i.e. Amul preferred outlet(APO) can be very successful in the market as we receive better response from Distributors as well retailers and consumers.
4. Must take the advantage of priority given to the Dairy industries by the Govt. in terms of loan.

### **THREATS:**

1. With the globalization and liberalization various global brands are started to peak in.
2. Competition from other Co-operative and local industries are present in the market.
3. The milk curdling problem allows the competitors to penetrate the market which is previously covered by the Amul. The milk from Softe plant is responsible for that as a retailer can not bear huge loss.

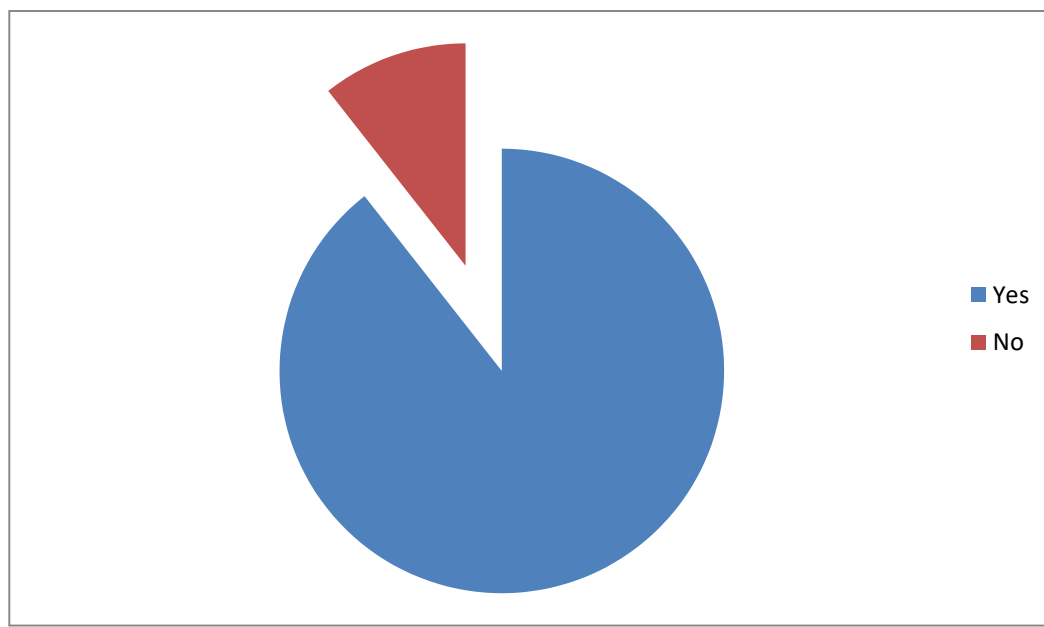
Some serious problem found is of the late delivery of milk in area like R.K.Puram. Sometime distributor's attitude and rude behavior is responsible for decrease in sales.

## FINDINGS & INTERPRETATION

Do you sell Amul Products?

(A) Yes- 135

(B) No- 16



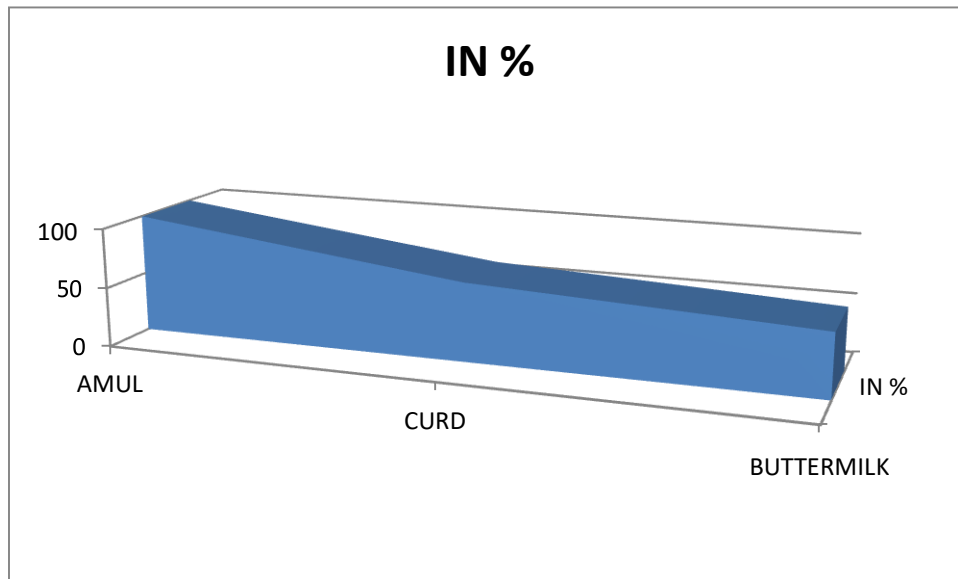
**Interpretation:-** In 151 retailers, it includes DMS, Mother dairy and retailers out of which 135 sells AMUL milk and 16 do not sell Amul milk.

**Which products:-**

A) Milk -100 %

B) Curd - 66 %

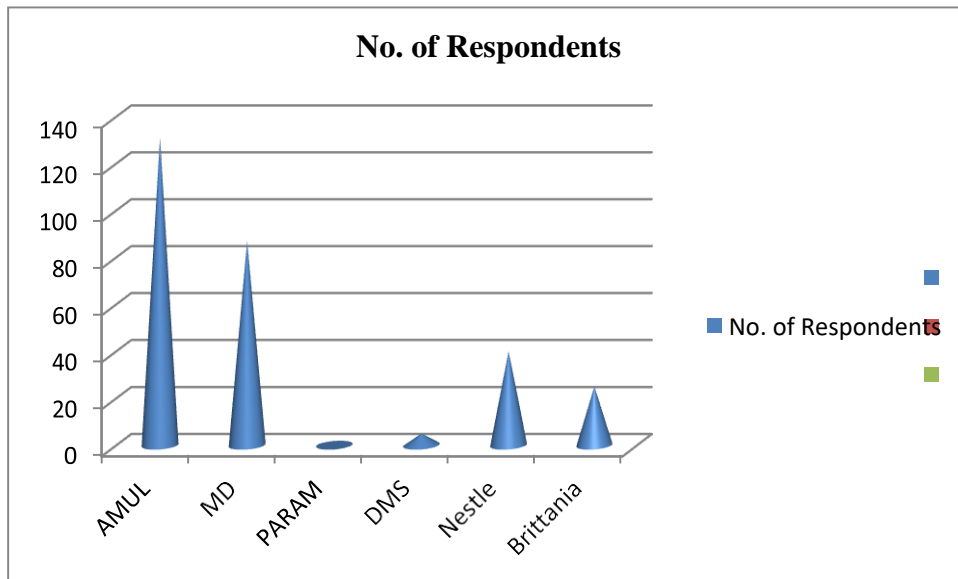
C) Buttermilk – 53%



INTERPRETATION:- Out of 151 retailers 151 sells milk, 100 retailers sells curd and only 80 retailers i.e. only 53 % sells buttermilk. Generally there are irregularities in the supply of curd.

**Q. 3. Which other brand of milk products do you sell?**

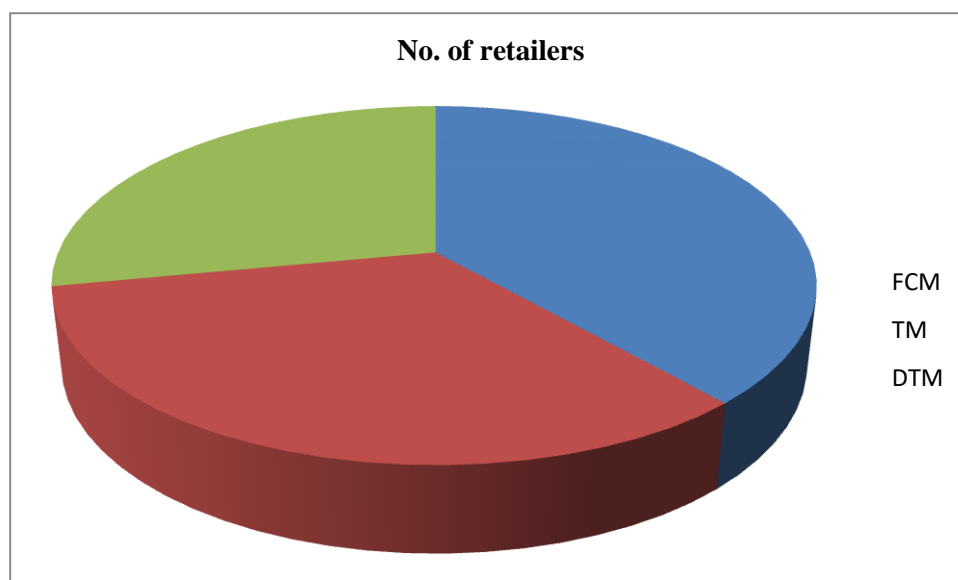
A) Amul	131
B) Mother Dairy	87
C) Param	0
D) DMS	5
E) Nestle	40
F) Britannia	25



**INTERPRETATION:-** As we can say on the basis of the graph Amul is a leader but other competitor mother dairy is also gaining the market .Later two competitor shows their penetration in curd market .

**Which variance of milk do you sell?**

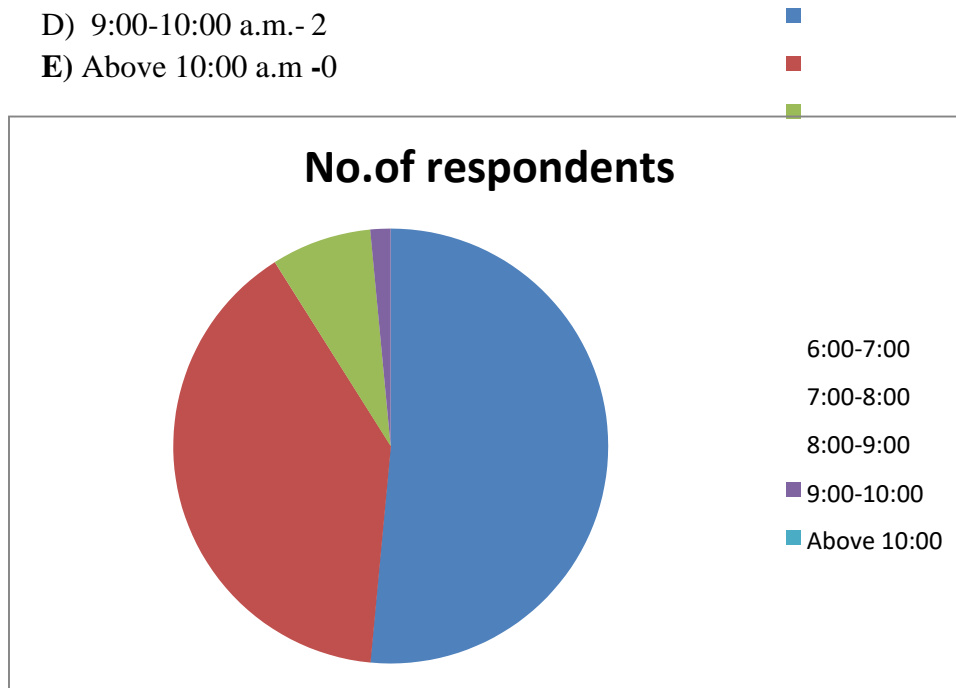
- A) Full Cream - 147 retailers
- B) Toned - 128 Retailers
- C) Double toned- 107 retailers



**INTERPRETATION:-** As most of retailers sell the full cream milk, it means people prefer full cream in comparison with Toned and double toned.

**At which time do you receive the supply of milk?**

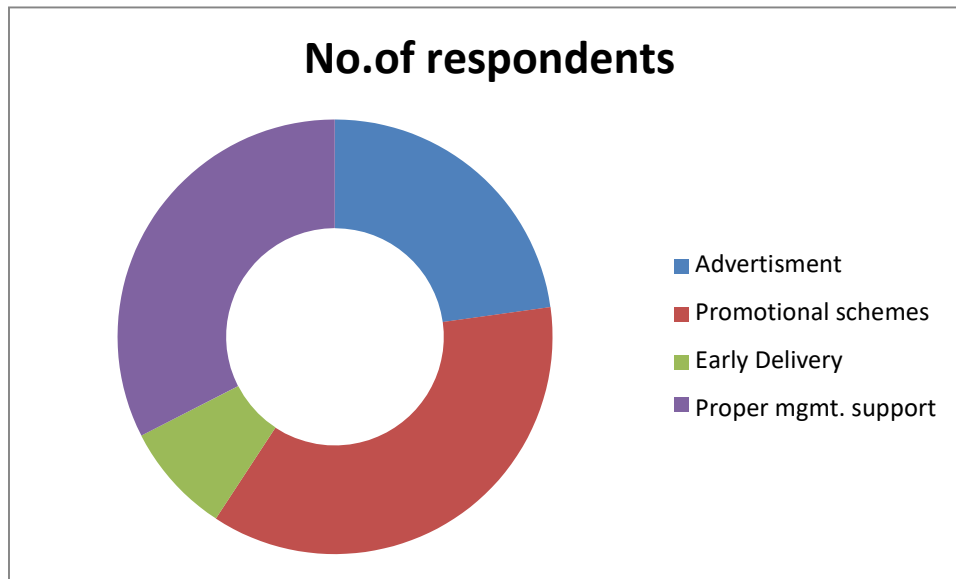
- A) 6:00-7:00 a.m. - 69
- B) 7:00-8:00 a.m.- 53
- C) 8:00-9:00 a.m.- 10
- D) 9:00-10:00 a.m.- 2
- E) Above 10:00 a.m -0



**INTERPRETATION:-** Total of 135 Amul retailers only 69 retailers gets milk before 7:00 a.m. 53 retailers i.e. 40 % retailers gets milk between 7:00 a.m.- 8:00 a.m. This is not the suitable time as the milk should be deliver within 7:00a.m.

**Q.7. How do you think the sale of Amul pouched milk can be increased?**

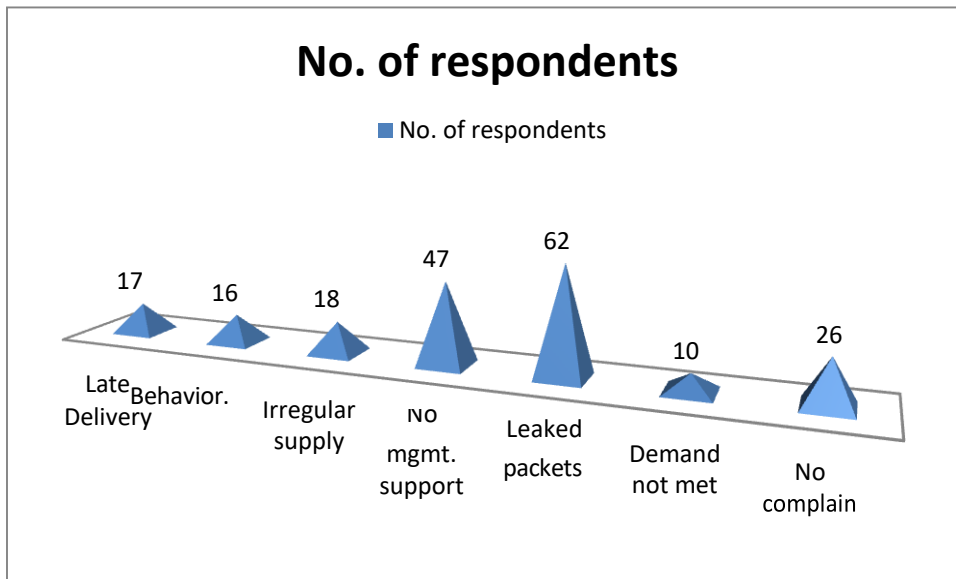
- A) Advertisement- 47
- B) Promotional schemes - 75
- C) Early Delivery - 17
- D) Proper mgmt. support - 67



**INTERPRETATION:-** AMUL can increase their sale graph by proper mgmt. support as it is very necessary to make better customer relationship management. Promotional scheme is also a very good option to increase the sale of milk products. As we don't found the ads in this area and research says 30 % people think promotion can increase the sale.

**Q.9. What kind of problem (complain do you have from the distribution channels)?**

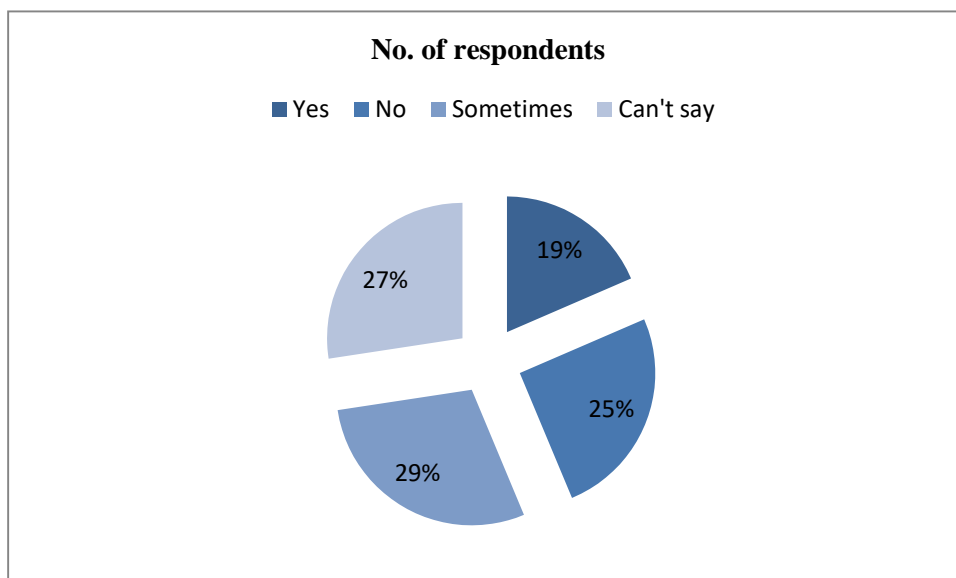
- A) Late Delivery. -17
- B) Behavior. -16
- C) Irregular supply.-18 (especially in curd)
- D) No mgmt. support- 47
- E) Leaked packets. - 62
- F) Demand not met -10
- G) No complain -26



**INTERPRETATION:-** As there is more complain about leaked packet and no replacement of that leaked packets is a major problem and the retailers found less support from management. Behavior of distributors in area of Bharthal and uttam nagar is also a matter of consideration. Where there is also a problem of late delivery.

**Q.10 Does the distributor take necessary action regarding your problem?**

- A) Yes - 25
- B) No -34
- C) Sometimes -39
- D) Can't say - 37

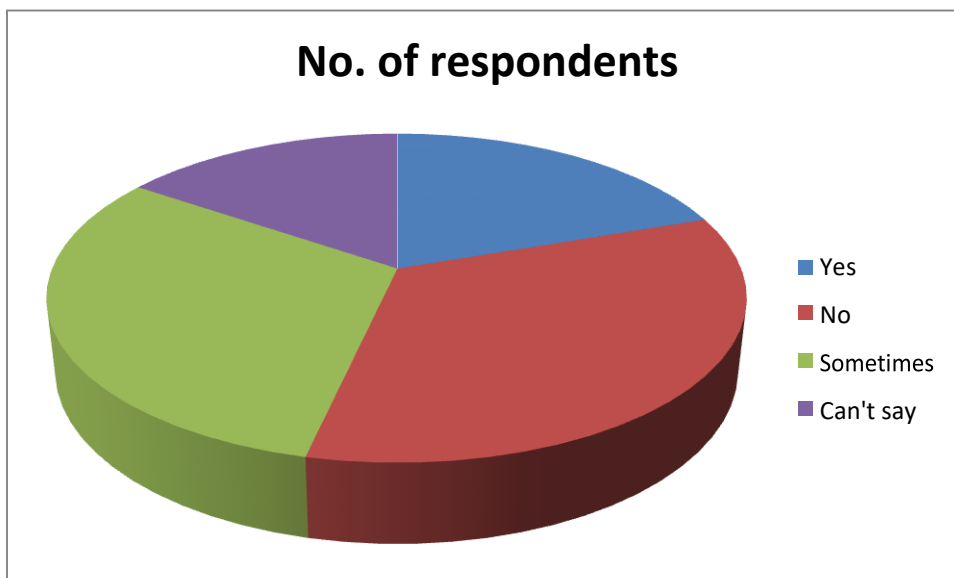




**INTERPRETATION:-** 29 % retailers said the distributor take action sometimes, 27% said they don't know whether distributor take any action. 25% said distributors didn't take any action.

**Q.11. Does Amul as an organization taking enough steps to market its milk products (milk, curd, buttermilk)?**

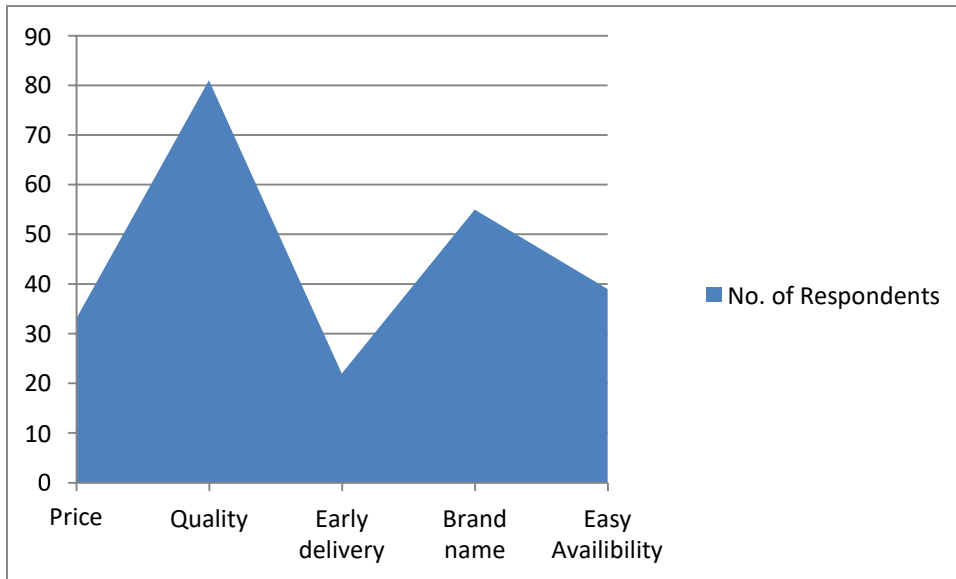
- A) Yes - 28
- B) No - 48
- C) Sometimes -44
- D) Can't say -22



**INTERPRETATION:-** 48 retailers said that Amul as an organization don't handle our query. 44 retailers think that sometimes their problem solved. Only 20 % retailers think that their problems are solved by the Amul.

**12. Which factor in milk the customer has major concerns:-**

- A) Price - 33
- B) Quality -81
- C) Early delivery -22
- D) Brand name -55
- E) Easy availability - 39



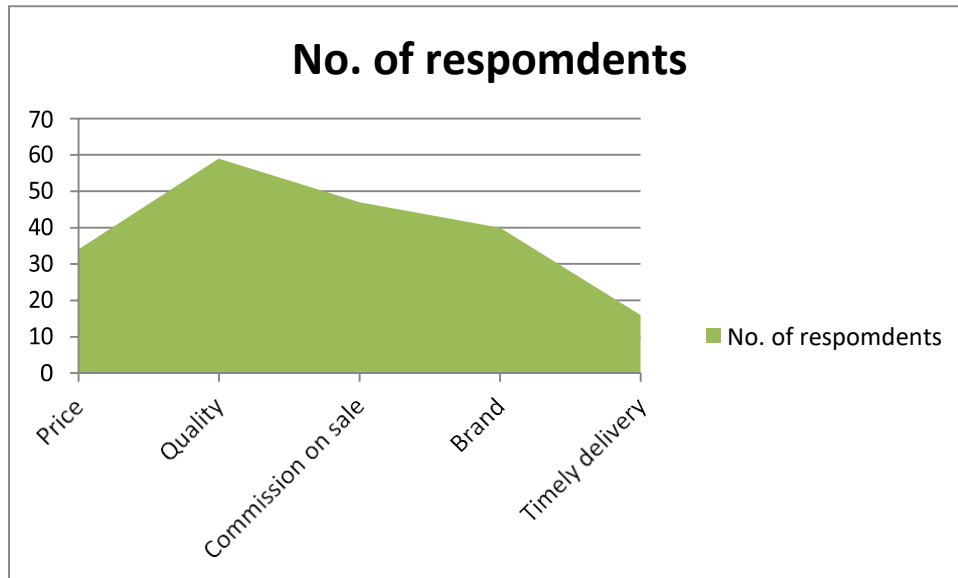
**INTERPRETTION:-** Highest area covered by quality factor means quality is important for customers followed by brand name, availability, Price of the milk and early delivery. As delivery is timely in the major area visited by me does not a major issue.

**13. Which factor do you consider that affect the sale (retailer point of view)?**

- A) Price -34
- B) Quality - 59
- C) Commission on sale -47

D) Brand - 40

E) Timely Delivery -16



**INTERPRETATION:-** As result said quality is on the top as major concerns by the retailers due to the fact that many retailers face milk curdling problem in Amul milk trying to sell the milk of other brand to retain their own customer and be safe from the loss due to milk curdling. After the quality commission on sale is important factor followed by brand name, price and timely delivery. Price is major concerns in the area where low income group people live.

**15. What can be various marketing schemes to promote the sales & encourage more retailers to sell Amul milk products.**

A) Schemes -64

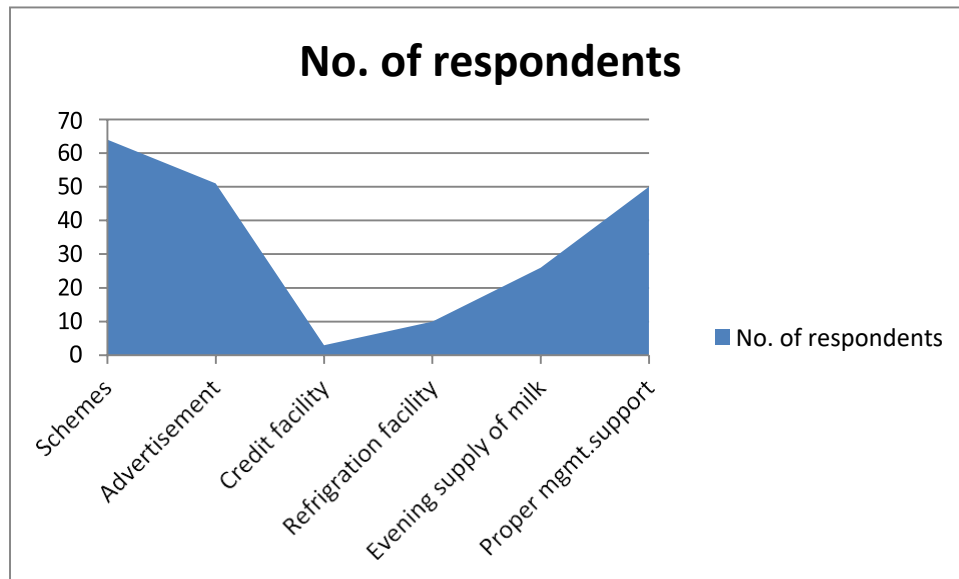
B) Advertisement - 51

C) Credit facility - 3

D) Refrigeration facility - 10

E) Evening supply of milk - 26

F) Proper mgmt. support -50



**INTERPRETATION:-** Most of the retailers want promotional schemes to increase the sell followed by advertisement, proper mgmt support, evening supply of milk, refrigeration facility, credit facility.

#### Q.8 Rate the distributors and his services (out of 10).

From research I found the following overall rating of Amul and their competitors as per the distributors about their distribution system, distribution channels & product related services.

A) Amul	-----	<u>7</u>
B) Mother Dairy	-----	<u>8</u>
C) DMS	-----	<u>5</u>
D) Nestle (curd only)	-----	<u>8</u>
E) Paras	-----	<u>5</u>
F) Britannia(curd only)	-----	<u>9</u>

#### Reasons for Low rating of Amul:-

1. May be due to milk bursting problem in most of area.
2. Somewhere late delivery and irregular supply of curd (cup).
3. Low management support.
4. As the better distribution is the core strength of Mother

dairy and Britannia. Hence they are emerging as tough competitor.

**Q. 14 Is about checking the level of satisfaction of customer of Amul on the semantic differential scale.**

**Is your customer of milk products is satisfied?**

YES ---- \*\*\* \*\*\* ----- NO

\_Research said that customer is satisfied at +4-+3 level, which can be considered as good but retailers satisfaction is very necessary as being a main connecting link between the customer and organization.

\_If there is proper distribution channel with some good management support surely Amul will remain on the top in each area of dairy product.

## COMPETITOR ANALYSIS

Amul has many competitors in the market of Delhi. The major competitors are- Mother dairy, Paras, DMS, Param, Gopaljee, Reliance, Britannia, Nestle, Dairy India etc.

But the Mother dairy is giving tough competition to Amul in all the range of milk products.

Strength of AMUL= **Quality products, Brand name, Corporate image, Good work Force.**

**Strength of Mother Dairy = Very good distribution channel( through MD booth, Distributors and retailers.**

Mother dairy providing extra facilities like refrigeration facility on behalf of small amount of security to retailers whereas AMUL provide this facility on permanent basis by taking complete charge of fridge. Some promotional schemes are also being given by the Mother dairy.

In the term of product quality Amul is far better than Mother dairy and customer's first preference is AMUL.

Market analysis says Amul is No. 1 in the milk market of Delhi.

## PRODUCT LINE

AMUL has basically 4 product lines which are milk and milk products, ice-cream, chocolate, wet product line and dry product line. The company is increasing the length of its product line by *filling* its line i.e. by adding more products within the

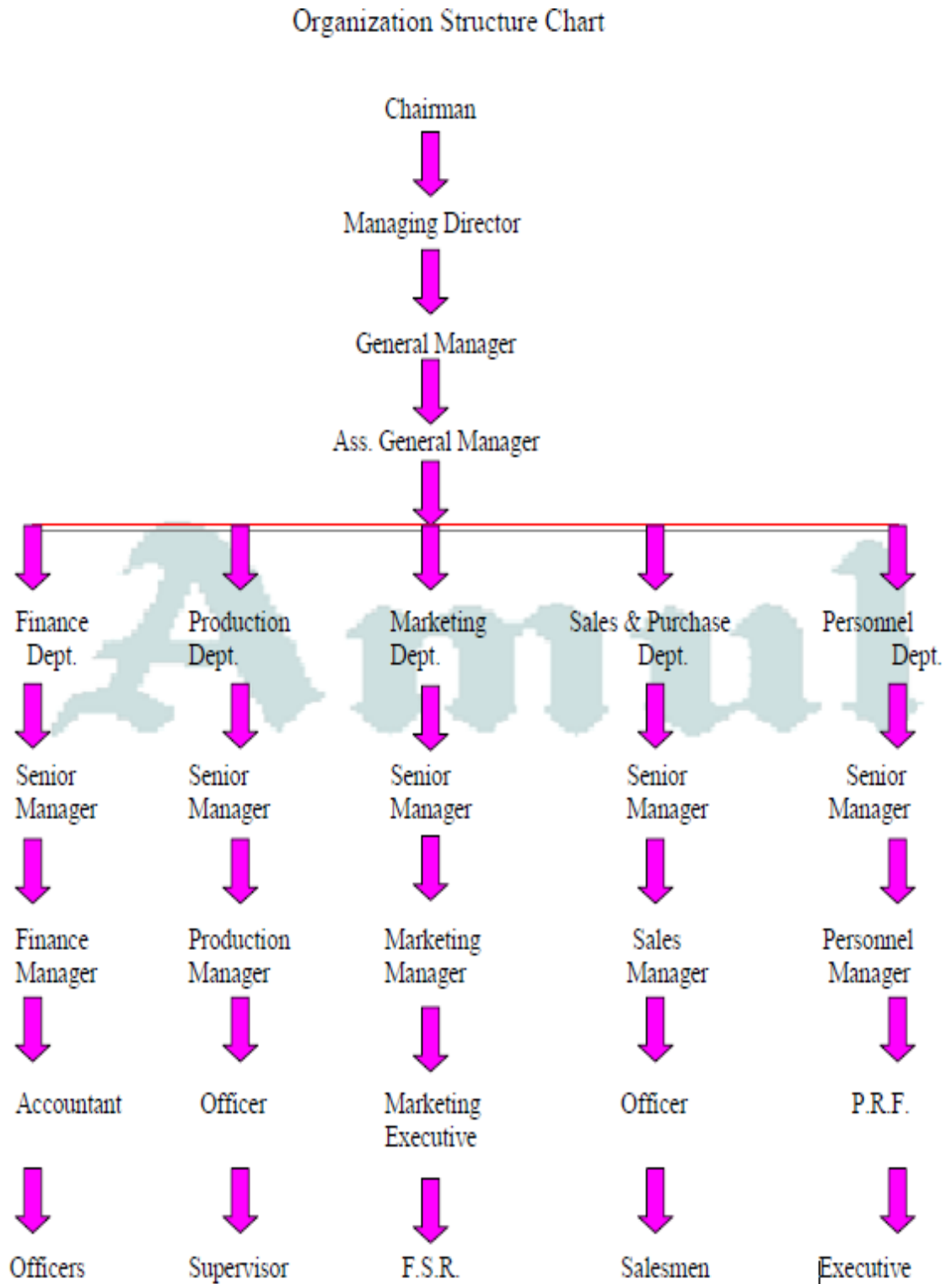
MILK	ICE CREAM & CHOCOLATE	WET PRODUCTS	DRY PRODUCTS
AMUL TAAZA	AMUL MILK CHOCOLATE	AMUL BUTTER	AMUL FULL CREAM MILK POWDER
AMUL GOLD	AMUL FRUIT AND NUT CHOCOLATE	AMUL LITE LOW FAT BREAD SPREAD	AMULYA DAIRY WHITENER
AMUL SLIM AND TRIM MILK	AMUL ECLAIRS	AMUL COOKING BUTTER	SAGAR SKIMMED MILK POWDER
AMUL CHOCOLATE MILK	AMUL FUNDOO CHOCOLATE	AMUL PROCESSED CHEESE SPREAD	SAGAR TEA & COFFEE WHITENER
AMUL FRESH CREAM	AMUL BINDAS CHOCOLATE	AMUL PIZZA CHEESE	AMUL MITHAE GULABJAMUN MIX
AMUL SNOWCAP SOFTY MIX	ALMOND BAR	AMUL SHREDED PIZZA CHEESE	AMUL MITHAE KULFI MIX
AMUL TAAZA DOUBLE TONED MILK	AMUL COOKING CHOCOLATE	AMUL EMMENTAL CHEESE	AMUL INFANT MILK FORMULA-I
AMUL MITHAIMATE SWEETENED CONDENSED MILK	ROYAL TREAT RANGE	AMUL GAUDA CHEESE	AMUL INFANT MILK FORMULA-II
AMUL TAAZA TONED MILK	NUT-O-MANIA RANGE	AMUL MALAI PANEER	AMULSPRAY INFANT MILK FOOD
AMUL GOLD FULL CREAM MILK	UTSAV RANGE	UTTERLY DELICIOUS PIZZA	NUTRAMUL-MALTED MILK FOOD
AMUL SHAKTI STANDARDISED MILK	SIMPLY DELICIOUS RANGE	AMUL SHRIKHAND	
AMUL SMART DOUBLE TONED MILK	NATURE'S TREAT	AMUL MITHAE GULABJAMUNS	
AMUL COOL MILK	SUNDAE RANGE	AMUL PURE GHEE	
AMUL SHAKTI FLAVOURED MILK	MILLENIUM ICECREAM	SAGAR PURE GHEE	
	MILKBARS	AMUL COW GHEE	
	COOL CANDIES	AMUL MASTI DAHI	
	TRICONE CONES	AMUL BUTTERMILK	
	FUNDOO RANGE	AMUL LASSEE	
	SLIMSCOOP FAT FREE FROZEN DESERT	MASTI TOMATO SOUP	

existing lines.

b) Departments of the Company:

1.Organizational chart showing the different departments:

The following is internal organisation chart of Amul:





## **PRODUCTION DEPARTMENT:-**

In this department all the things are been made means here company is producing product. So it is called as a production department. It is the concern with the creation of a product. It is a line function, because it contributes directly to the accomplishment of the objectives of a business. This department involves very huge variety of ranging, activities from the location of a mfg. Plant to the final preparation of products to be distributed by the marketing department. Now a days in our India is developing. There is given much important to the successful company. Successful company means does not in the Large Scale or in high capital investment but the industry which is running successfully with the help of the staff.

### **IMPORTANCE :**

In each and every business field production department is very much important, without production department Company cannot produce anything. The production management involves aspects like product planning the product line, the co-ordination and controlling production process etc.

## **PERSONNEL DEPARTMENT:-**

In each and every company there are many important and necessary departments. Each and every successful company or the failure company or the failure company does not depends on any materials and machines but they are depends on the skill of the personnel employed in organization. Management of the people is the one of the main function of the personnel department. There are also the main functions except the management.

Personnel management is people's management at work. Thus management of people is a very important and challenging job for organization. The functions which are described as above are usually performed by the personnel manager.

### IMPORTANCE

Size of the product, purpose, location or importance is the common element for all the business. These all element are made by the human. AMUL INDUSTRIES PVT. LTD. Give important to the personnel department. They give more and more important to the human resource. Because human means employees are the mains part of successful company.

### **MARKETING DEPARTMENT:-**

In each and every business there is one of the main department is Marketing Department. It is important for each and every successful or unsuccessful business. Because without Marketing Department any business cannot run properly, and cannot achieve their desire goal and objective. If we want to achieve the objective therefore we have to keep the good Marketing Department. If marketing department is good then our company's product will be go ahead and if our marketing department is bad then our product not go ahead, and there may be possibility that we under go to the loss.

## **IMPORTANCE**

If the company wants to make successful company then company has to give more and more importance to the Marketing Department. AMUL INDUSTRIES PVT. LTD. Is always being kept watching in it. They are always giving more and core importance to the Marketing Department. So that they can achieves their desired goals or objectives in proper way.

### **I. FINANCE DEPARTMENT:-**

Finance is rooting of all Industrial a Trading activity. Finance is needed when the business is started. It is required to keep the business going, and it is needed when the business expands. According to Henry Fayol, -Finance is like an arm & leg either. You use it or loss it. Thus we can say that the Finance is considered as base for every business & business without finance is shown as dead body.

**II. SALES AND PURCHASE DEPARTMENT:-**As their names suggests, both are used for sale or purchase of goods. Sales department is a department made within the organization which is concerned with sales of products. Selling is necessary, as it is directly related with profit.

Similarly, the company has a purchases department too, which takes care of purchases of raw materials from outside. Raw material is required to make finished products by use of some processes.

## **OBJECTIVES OF THE STUDY**

Following are the major objectives : -

1. To study the milk, curd, and buttermilk market scenario in various area Sagarpur , Janak puri,Vikas puri, Palam, Najafgarh, Mahavir enclave, bharthal. The first and foremost objective of the project was perfect. Under this, the consumption pattern, market share of various brands and the factors influencing the buying decisions of the shopkeepers were studied.
2. To study the position of amul milk, butter and buttermilk in established market. The nearest competitor and the various possibilities has been explored to minimize their threats.
3. To estimate the market potential for amul milk, butter and buttermilk in unexplored market was one of the major objectives. Here the conditions were also studied under which the consumer as well as the retailer would be willing to buy amul milk.
4. To identify the problem areas for all the places separately. Here the shortcomings of amul were studied which could be removed after careful understanding & detailed analysis
5. To develop strategies and come out with suggestions for increasing the sales.

## **RESEARCH METHODOLOGY**

The research methodology adopted is of descriptive type. The major purpose of this research was the description of the state of affairs as it exists at present. Even though there was no control over the variables. The cause were tried to be discovered. The method of research utilized here was survey method. The facts or information gathered were analyzed to make a critical evaluation of the information.

### **Research Approach : -**

One had to depend mainly on primary data as first hand knowledge was required about market position of various brands in the milk, curd and buttermilk market. So our actual study was conducted in 3 stages : -

First we discussed with our guiding officers on the various parameters of the project. We also talked informally with some consumers and retailers to have some preliminary idea.

Next format was prepared based on priori discussion. Separate questionnaire was prepared for established and unexplored markets.

Lastly the final questionnaire was prepared with various modification to the previous questionnaire.

### **Sampling techniques : -**

The stratified sampling method was followed. The population of all the towns was not homogeneous. There exists people of different occupation. So stratified sampling technique had to be applied in order to obtain a representative sample.

**Sample size :-**

The sample size varied from town to town for retailers. In Sagarpur , Janak puri, Vikas puri, Palam, Najafgarh, Mahavir enclave, bharghal the sample size taken was

30. The sample size of retailers varied from 7 to 25 according to the size of the market.

**Data Analysis :-**

The data were analyzed separately for each area. The findings resulting of the analysis varied from area to area and the recommendations stated accordingly arrived at after thorough analysis and recommendation stated accordingly.

## **MAJOR FINDINGS**

- 1) Majority of the consumers assign easy availability and quality as their main preference in buying milk of a particular brand.
- 2) Per capital consumption is around 250 ml.
- 3) In established market, people buy amul milk mainly because of its brand popularity, good quality and easy availability.
- 4) Private brand have been able to enter the market only on the basis of their low- pricing strategy.
- 5) Brand awareness for amul milk is vey high.
- 6) The main preference for selling amul milk by the retailers is the customer demand which also helps in sales of other products like bread, biscuit etc.
- 7) Town or villages where amul milk is less available at present, most people prefer centre and nearby local shops.

## **SUGGESTIONS**

- 1) People use milk for various purposes like making Curd, Lassi, Ice-cream besides Tea and for drinking purpose. So a positive perception can be created to make them think that amul milk is best suited for those purposes.
- 2) Projector films may be shown to the villagers emphasizing on the quality and the hygenity of amul milk. This would help in convincing the people & creating a favorable attitude.
- 3) Arrangement should be made to ensure regular supply of amul milk to the consumers in new places once the milk is introduced. If possible transportation facility should also be arranged to make it convenient for the retailers.
- 4) Suggestions & complaints made by retailers & consumers should be given due attention to provide maximum satisfaction. This could create an impression that amul cares for them.



## **LIMITATION**

- 1) The time for the project was short & it had to be completed on time.
- 2) Language barrier was also a problem in one or two areas.
- 3) Retailers were not ready to furnish the detailed information. Some retailers in the villages were hesitant in giving response which could have lead to some sort of biasedness.

## **OVERALL EXPERIENCE**

My overall experience was very well. I was responsible for visiting areas, prescribed by my coordinator and asking various questions from retailers of that particular area. A particular format was given by him. I worked for marketing department of the company.

I could have done my work much better by getting sufficient knowledge about the supply system of the company. One of the major problem I faced was lack of information. We were informed about several things but most of the people asked me about many additional things about which I had no idea, somehow I managed but it could be better if I would have given enough information.

I have gained more experience in the way that I learnt many things. I learnt how to communicate well with people. Even in the village areas too, I used to speak formal language. Apart from this it also helped me in gaining confidence. Interacting with a lot of people each and every day and asking for their details too, helped me overcome my shyness and fear of public speaking up to a large extent.

My this experience will help me in future in a good way as now I know how an organization works, what are the tasks they perform and how do they do it. It will help me in quick learning of any task assigned and also I will be ready for any kind of task and whatever they will teach me, I will be able to learn and understand quickly.

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