



“RETAILERS SATISFACTION BY SELLING AMUL MILK IN VADODARA CITY”

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ABSTRACT: This study has been undertaken to understand the satisfaction level of retailers by selling Amul milk in Vadodara city in which the retailers were selected at different places in Vadodara city through convenience sampling technique, Sample size taken in this survey was 35. The information from various retailers were collected with the help of well-structured questionnaire. The Milk products market has reached Maturity stage in India large no. of Co-operatives having a variety of product range has entered the market, thus there is one way for Amul to sustain their milk business in the market by delivering outstanding satisfaction to their retailers, so that they can take interest in selling of Amul milk products.

KEYWORDS: Amul Milk, Retailers, Satisfaction, Distributers

I. INTRODUCTION

Anand Milk Union Limited popularly known as Amul Dairy is a US \$ 500million turnover institution. It is an institution built up with a network of over 10000 Village Co-operative Societies and 500,000 plus members. Formed in the **year 1946** Amul is the leading food brand in India. Amul initiated the dairy co-operative movement in India and formed an apex co-operative organization called Gujarat co-operative Milk Marketing Federation (GCMMF) and today 70,000 villages and 200districts in India are part of it. Every day Amul collects 447,000 liters of milk from 2.12 million farmers converts the milk into branded, packaged products, and delivers goods worth Rs 6 core (Rs 60 million) to over 500,000 retail outlets across the country. Amul products are available in over 500,000 retail outlets across India through its network of over 3,500 distributors. In order to maximize the sale and profit, company must deliver outstanding satisfaction to the retailers. So, market survey of retailers, chart out the position of the company as compared to the competitors. It helps the organization to find out the brand being sold most by the retailers along with their stocking and also consumer buying preferences. The main purpose of our study was to measure the Retailers satisfaction by selling Amul Milk. To study the visibility of the Amul Milk in this highly competitive market. To know about the market Penetration of Amul Milk.

OBJECTIVES BEHIND STUDY:

The study proposes to understand AMUL Milk Retailing Business and suggest a Promotion action plan to improve Amul Milk Retailers Profitability using Below-the-Line Activities.

Following are the objectives of the study undertaken:

1. To identify the factors responsible for the low sales and profits at some of the Amul Milk Retail outlets in Baroda.
2. To come up with a solution that would increase profitability of the retail outlets.
3. Identify the major needs & problems of the Amul milk retailers.
4. Comprehensive analysis of problems of Amul milk in the Retail market.
5. Competitive analysis with other competitors in the Retail market.

II. INDUSTRY PROFILE

Dairy is a place where handling of milk and milk products is done and technology refers to the application of scientific knowledge for practical purposes. Dairy technology has been defined as that branch of dairy science, which deals with the processing of milk and the manufacture of milk products on an industrial scale.

The dairy sector in the India has shown remarkable development in the past decade and India has now become one of the largest producers of milk and value-added milk products in the world.

The dairy sector has developed through co-operatives in many parts of the State. During 1997-98, the State had 60 milk processing plants with an aggregate processing capacity of 5.8 million liters per day. In addition to these processing plants, 123 Government and 33 co-operatives milk chilling centers operate in the State.

Also, India today is the lowest cost producer of per liter of milk in the world, at 27 cents, compared with the U.S' 63 cents, and Japan's \$2.8 dollars. Also, to take advantage of this lowest cost of milk production and increasing production in the country multinational companies are planning to expand their activities here. Some of these milk producers have already obtained quality standard certificates from the authorities. This will help them in marketing their products in foreign countries in processed form.

III. COMPANY STUDY

Amul is a dairy company have its headquarters in Anand, Gujarat. It was established in the year 1948, which was earlier known as Gujarat co-operative milk marketing federation (GCMMF).

Amul started white revolution in 1946, under Tribhuvan Das Patel directed by Sardar Patel. Earlier KDMUL (kaira district milk union limited) was born in 1946 under the chairmanship of Mr. Patel.

Dr. Varghese Kurien has spearheaded the white revolution and has been in marketing Amul. The then Prime minister of India Lal bahadur shastri decided to implement same policies under National Dairy Development Policy. The dairy was owned by the famers, their elected representatives manage the district union. In order to manage the business, they employ professionals.

Today, **12 dairies** are producing different products under the brand name Amul. Amul dairy is **no. 1** dairy in **Asia** and **no. 2** in the **world**, which is matter of proud for Gujarat and whole India.

IV. LITERATURE REVIEW

STUDY OF RETAILER'S SATISFACTION TOWARDS DISTRIBUTION CHANNEL OF AMUL PRODUCTS IN JAMMU

The research paper entitled "Study of retailer's satisfaction towards distribution channel of AMUL products in Jammu" has been conducted in Jammu in which the retailers and distributors were selected at different places in Jammu city through convenience sampling.

The information from various retail shops and distributors were collected with the help of well-structured pre-tested schedule and the data was analyzed by using descriptive statistics, pie charts, per centages.

In this study two distribution channels of AMUL products in Jammu were identified viz. (I) Company → C/F → Distributer → Retailer → Consumer and (II) Company → C/F → AMUL retail outlet → Consumer.

TO STUDY THE CONSUMER ACCEPTANCE FOR AMUL MILK IN PUNE CITY

The study says that the main USP of Amul brand is its low pricing. It hits at the transnational's by reducing its prices on its product portfolio. The competitive advantage is its "backward integration" strategy, which helps substantially in cost reduction. Amul spends very less on its advertising budget, but spends it very wisely and effectively. It has the power of an umbrella brand Amul, which is highly respected brand name.

Thanks to its brand mascot, the Amul girl, the co-operative has been able to get away with spending just 1% per cent of its revenues on advertising. In contrast, its competitors spend anywhere between 7-10% on advertising.

The study was carried out to achieve the prescribed objectives of the study it was needed to follow systematic and scientific approach to interpret the results of the study. Methodology includes the detail description of the study area, source of the data, sampling techniques, analytical tools and other information.

The marketing mix for Amul milk was conceded along with study of all P's of marketing mix. The awareness of Amul milk was created by using the promotional kit viz. includes- kiosk, umbrella, posters, flyers, coupons, etc. The data was primary was collected from the selected locality by personal interview and door to door survey. The promotion offer was broadcasted and the data during the promotion was compiled.

The sell before the promotion activity, during the promotion activity and after the activity was analyzed and interpreted to conclude the mentioned study. During the survey it was witnessed that Chitale being the local brand was consumed maximum. After the promotion activity of consumer acceptance for Amul Milk was studied and analyses efficaciously.

It was seen that around 33% of the area potential was acquired successfully by Amul and it is estimated that it will increase gradually.

PRICING POLICY OF MILK RAJASTHAN CO-OPERATIVE DAIRY FEDERATION LIMITED

The study says that Dairy farmers are under severe price pressure due to rapid increase in milk demand due to lower production costs in India, as well as the market control of retailers. Agricultural officials and legislative bodies in India are aware of these stresses and have responded in an effort to counter potential excess retail margins for liquid milk with emergency milk farm assistance, following a very low milk price, and with state legislation.

We argue in this paper that the demand relationship will explain the asymmetric transition of fluid milk rates, high-low pricing, and the formation of a broad retail margin (chain surplus) frequently observed for fluid milk.

It is also suggested that a sigmoid demand partnership creates an incentive for state policymakers to assist Indian dairy farmers across several policy choices to gain a greater share of the market dollar. Therefore, 5 regulatory frameworks of the milk supply channel (status quo, price gouging, and regulation of stocks, fair share strategy, and chain surplus return) are addressed and contrasted.

In redistributing the chain surplus associated with the sigmoid demand relationship for fluid milk to dairy farmers, the supply control mechanism was found to be the most successful.

A DETAILED ANALYSIS OF ANAND MILK UNION LIMITED (AMUL) IN INDIA

The study says that the brand name "Amul," from the Sanskrit "Amoolya" was suggested by a quality control expert in Anand formed in 1946, is a dairy cooperative in India. It is a brand name managed by an apex cooperative organization, Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which today is jointly owned by some 2.8 million milk producers in Gujarat, India. AMUL is based in Anand, Gujarat and has been an 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 economy. "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.

V. RESEARCH METHODOLOGY**DEFINING THE OBJECTIVE:**

The basic objective of this project is to understand AMUL Milk Retailing Business and suggest a Promotion action plan to improve Amul Milk Retailers Profitability.

COLLECTION OF DATA:**a) Primary data:**

We collected primary data from the Retailor with the help of a structured questionnaire

b) Secondary data:

Secondary data we collected from the different website. This secondary data helped us to form the conceptual background for the project. This secondary data we compared with the primary data collected in the area.

RESEARCH INSTRUMENT:

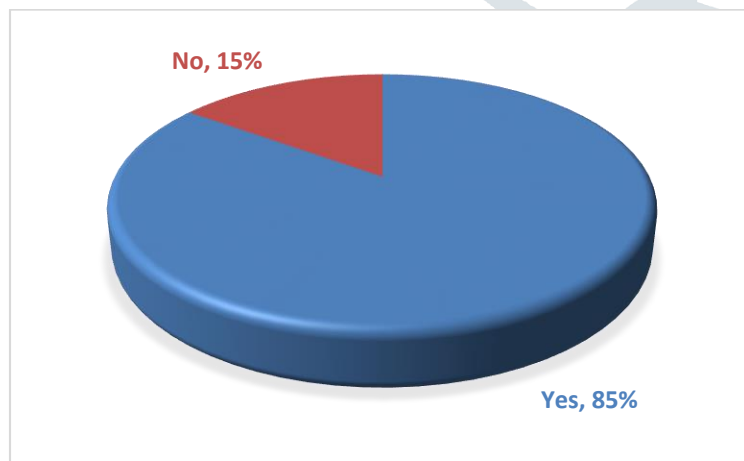
The research instrument use in the project is Questionnaire to collect primary information, it provides flexibility by using close ended and few open-ended questions.

METHOD OF DATA COLLECTION:

Information was collected by personally visiting at Retail outlets.

SAMPLE DESIGN:

- Sample size: 35
- Sampling Technique: Convenient Sampling
- Sampling area: VADODARA

VI. DATA ANALYSIS AND INTERPRETATION**1) Number of retailers stocking Amul milk:**

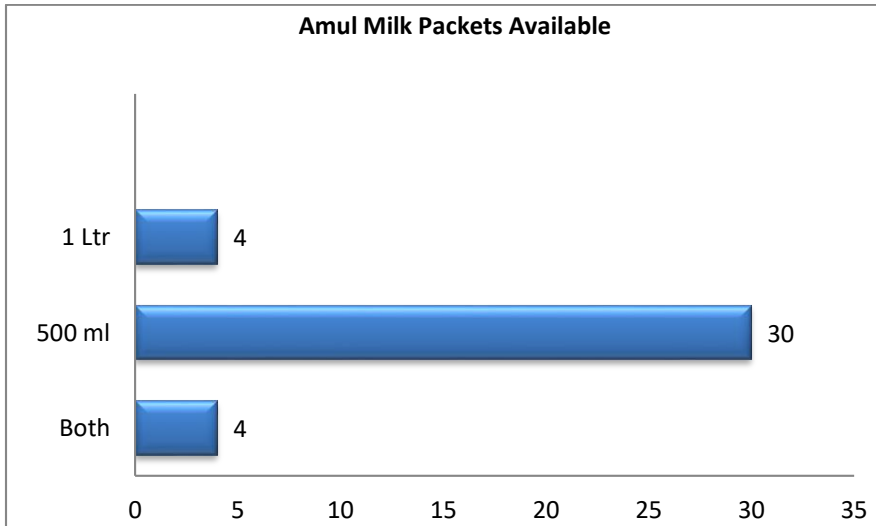
Answer	No. of respondents	Percentage
Yes	30	85%
No	05	15%

INTERPRETATION:

- The above graph indicates that 85% of the retailers are stocking Amul milk & there is only 15% Retailers Not stocking Amul Milk.
- It shows that Amul milk brand is popular among the retailers.

2) Sizes of Amul milk packets retailers preferred to store:

(Out of 35 retailers survey 30 were stocking Amul milk)

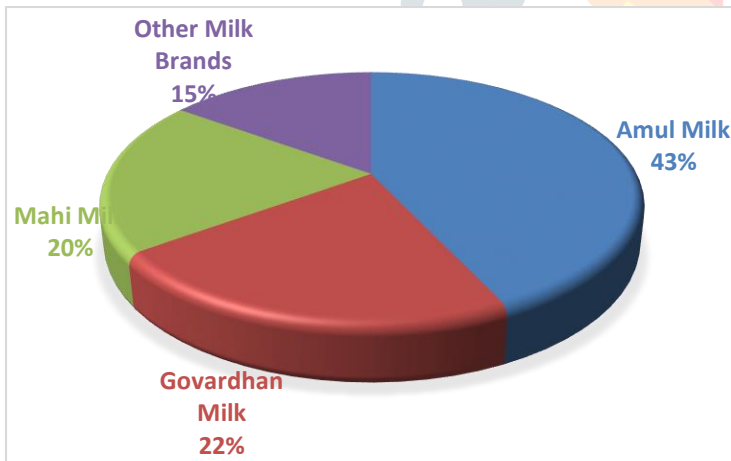


Amul milk packets	No. of respondents
500 ml	30
1 Litter	04
Both	04

INTERPRETATION:

- The above graph shows that most of the retailers preferred to stored 500 ml and 1 Litter pouch of Amul milk as per the customer demand.
- In case of 5 Litter Pouch there was no customer’s demand.
- 250 ml pouches were not available to retailers.

3) Preference of retailers towards milk brand:



BRANDS	RESPONDENTS
Amul Milk	15
Govardhan Milk	08
Mahi Milk	07
Other Milk Brands	05

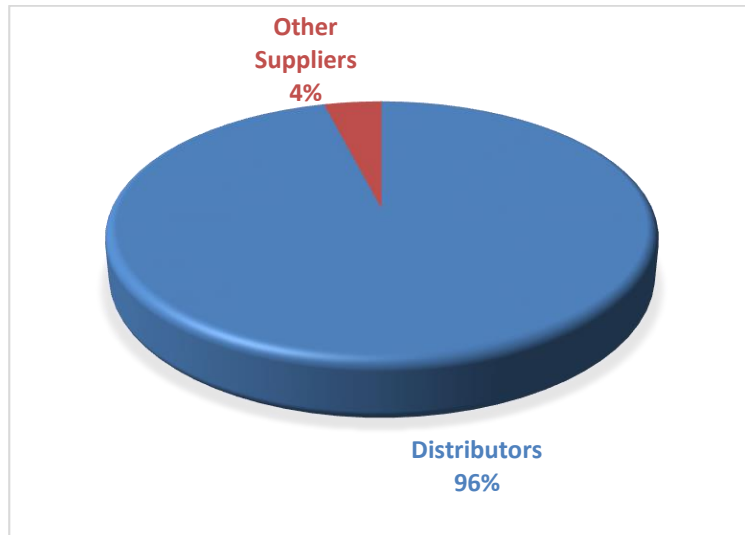
INTERPRETATION:

- 43% Retailers Preferred to sell Amul Milk because of High customer demand.
- 57% Retailers Preferred to sell other Milk brands.

4) Sources from where retailers get Amul milk:

(Out of 35 retailers survey 30 were stocking Amul milk)

Answer	No. of respondents	Percentage
Distributors	28	94 %
Other suppliers	2	6 %

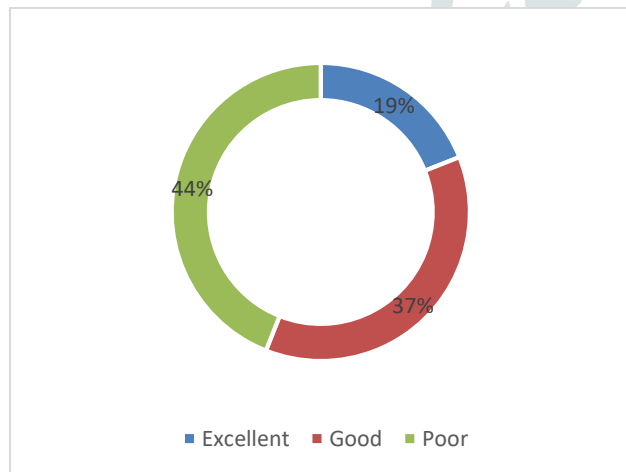


INTERPRETATION:

- Almost all retailers said that they purchased milk from Amul distributors.

5) Amul distributor Behavior towards Retailers:

(Out of 35 retailers survey 30 were stocking Amul milk)



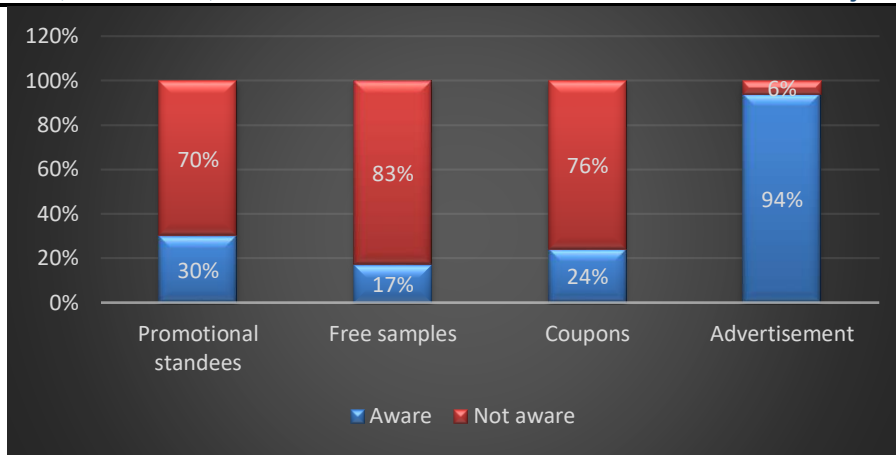
Answer	No. of respondents	Percentage
Excellent	06	19%
Good	11	37%
Poor	13	44%

INTERPRETATION:

- Graph shows that 56% of the retailers were satisfied with the service provided by the Amul distributors.
- On other hand 44% of the retailers were not satisfied with the service provided by the distributors and reason behind that Late Deliveries.

6) Awareness among retailers about different Sales Promotional activities rolled out by Amul for Amul Milk:

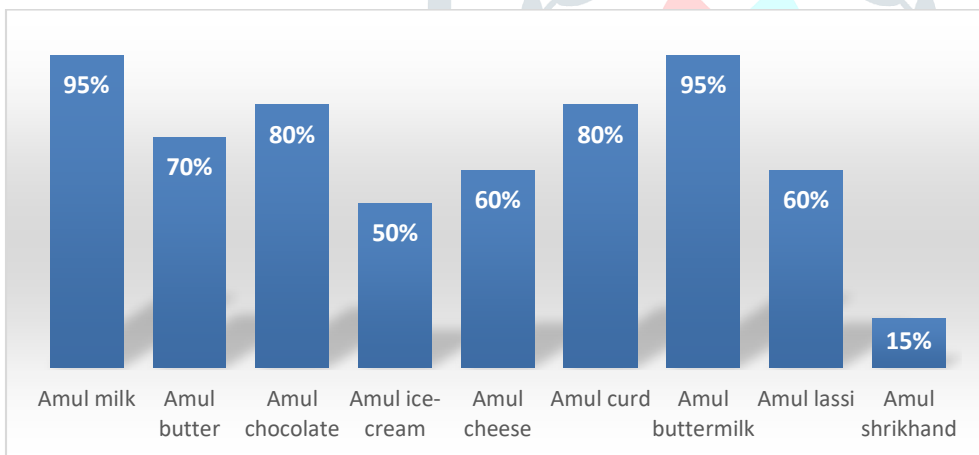
(Out of 35 retailers survey 30 were stocking Amul milk)



INTERPRETATION:

- The graph shows that retailers were aware about the sales promotion activity that Amul carried out, but some respondents were unaware about various activities.
- Most of the retailers were aware about advertisement carried out by Amul.
- Retailers were unaware about the Coupons, free samples & Promotional standees Provided by the Amul.

7) Amul Products Stored by Retailers:



Amul Products	Storage preference %
Amul Milk	95%
Amul Butter	70%
Amul Chocolate	80%
Amul Ice-cream	50%
Amul Cheese	60%
Amul Curd	80%
Amul Buttermilk	95%
Amul Lassi	60%
Amul Shrikhand	15%

INTERPRETATION:

- The graph shows that retailers almost preferred to stored most of the Amul Dairy products.
- Almost all retailers preferred to store Amul milk, Amul chocolates & Amul butter milk because of high customer demand.
- Amul shrikhand & Amul ice-cream are less likely products among retailers.

8) Demand of Amul Products:

High Demand
<ul style="list-style-type: none"> • Amul Milk • Amul Buttermilk • Amul Butter • Amul Cheese

Medium Demand
<ul style="list-style-type: none"> • Amul Chocolates • Amul Curd • Amul Lassi

Low Demand
<ul style="list-style-type: none"> • Amul Shrikhand • Amul Ice-cream

Amul Products	Demand
Amul Milk	Very High
Amul Butter	High
Amul Chocolate	Medium
Amul Ice-cream	Low
Amul Cheese	High
Amul Curd	Medium
Amul Buttermilk	Very High
Amul Lassi	Medium
Amul Shrikhand	Low

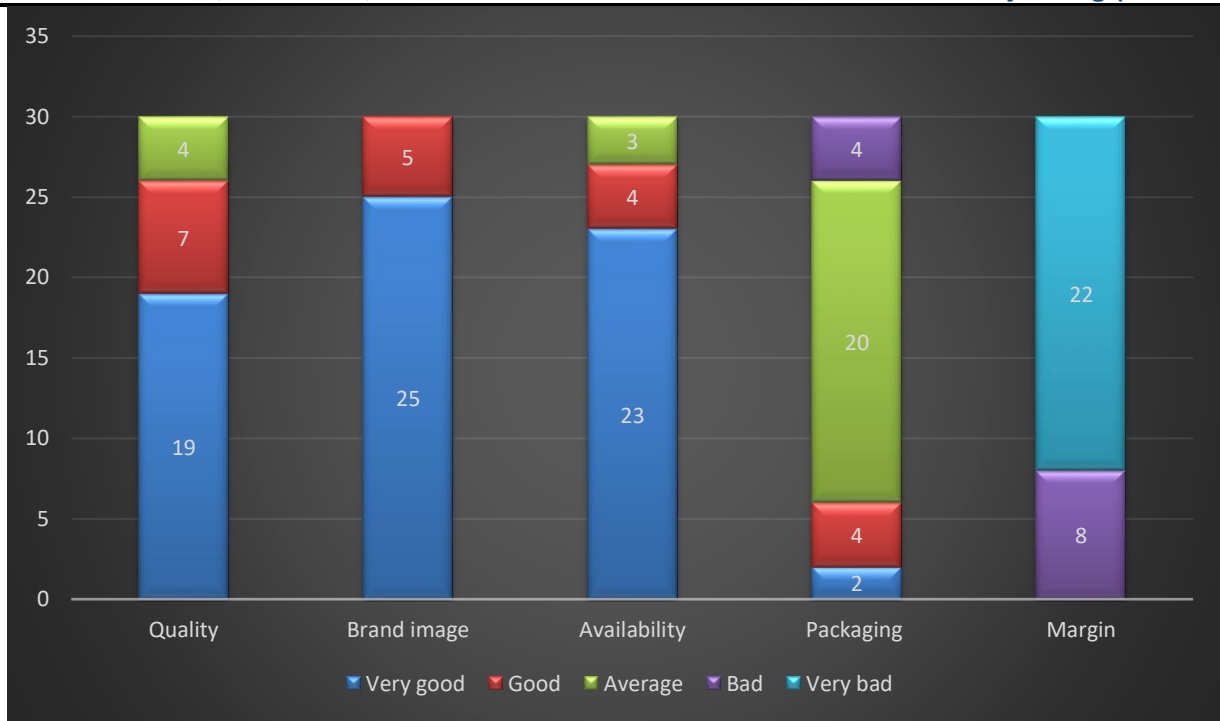
INTERPRETATION:

- Amul Milk, Amul Butter, Amul cheese & Amul Buttermilk are highly demanded products.
- Amul Chocolates, Amul Curd & Amul Lassi are Medium Demanded Products.
- Amul Shrikhand & Amul Ice-cream are less demanded products.

9) Ratings from retailers for attributes of Amul milk:

(Out of 35 retailers survey 30 were stocking Amul milk)

Attribute Rating	Quality	Brand image	Availability	Packaging	Margin
Very good	19	25	23	2	0
Good	7	5	4	4	0
Average	4	0	3	20	0
Bad	0	0	0	4	08
Very bad	0	0	0	0	22
Total	30	30	30	30	30

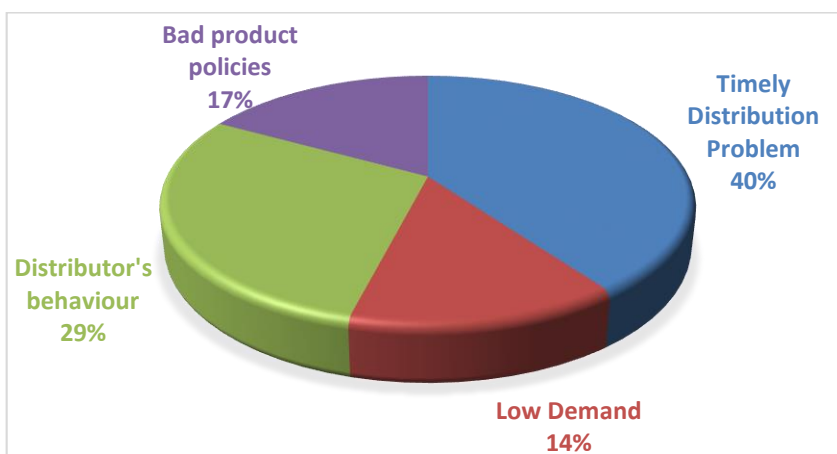


INTERPRETATION:

- **QUALITY:** Most of the retailers were satisfied with Amul milk quality.
- **BRAND IMAGE:** The graph shows that Amul is having good brand image.
- **AVAILABILITY:** Most of the retailers were satisfied with the Amul milk distribution.
- **PACKAGING:** Most of the retailers were not satisfied with the packaging.
- **MARGIN:** All retailers were not satisfied with the margin policy given by Amul.

10) Major Problem Faced by Retailer:

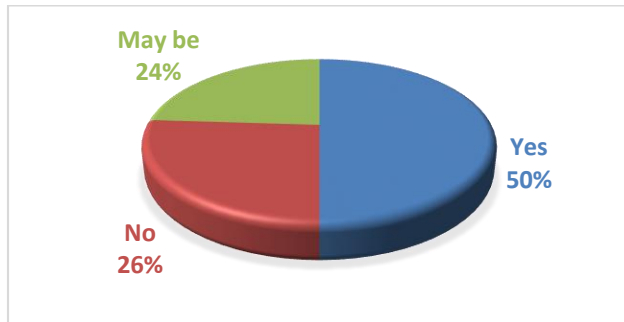
Problems	No. of respondents	Percentage
Timely Distribution Problem	12	40%
Low Demand	4	14%
Distributor's behaviour	9	29%
Bad product policies	5	17%



INTERPRETATION:

- 40% retailers were facing problem of timely distribution of Amul products specially milk. For example, if the retailers want milk at 7am Distributor were giving milk at 8am.
- 14% were saying low demand specially in poor area.
- 29% retailers were saying that the distributor of their area's behaviour was not good.
- 17% retailers were saying that due to bad Amul product policy they face many problems.

11) If some other milk brand approach you in the future and they promise you to give better profit margin compare to Amul, you will accept that offer?



Answer	No. of respondents	Percentage
Yes	15	50%
No	08	26%
May be	07	24%

INTERPRETATION:

- 50% Retailers are agreed to sell other brand milk if other brand provide them good profit margin.
- We got mixed response from other 50% retailers, because they are worried about customer demand towards new product and also worried about availability & quality of the product.

FINDINGS OF THE RESEARCH

- Retailers were not happy with margin, availability and replacement of leak pouches.
- The 250 ml and 5 Litter milk pouch are no available to the retailers for selling.
- Measurable numbers of retailers were not happy with the distributors, because of frequent change in distributors and late delivery of milk.
- All retailers were familiar with sales promotion activities undertaken by Amul. But more of the activities were not communicated by distributors. so, it shows that distributors are taking the advantage of such activities.
- Every Retailer needs to order at least 1 crate of milk.
- Many Retailers were facing problem of timely distribution of Amul products specially milk.

SUGGESTIONS

The Milk products market has reached Maturity stage in India large no. of Co-operatives having a variety of product range has entered the market, thus there is one way for Amul to sustain their milk business in the market by delivering outstanding satisfaction to their retailers, so that they can take interest in selling of Amul milk products.

This can be done as follow:

- Provide reasonable Margin to retailers as compared to competitors, this motivates them to promote company's milk and milk products.

- 250 ml milk pouch should make available to retailers for selling, because lower income family has intention to buy small pouch milk.
- Improve delivery schedule to provide products on time for the retailers about who claimed that Amul milk is not available to them on time.
- Incentives & schemes should be given to the retailers and some scrutiny should be follow to check the scheme get being communicated properly by distributors or sales person.
- Company should provide advertising facility like outside wall painting; provide company's stand boards, Posters which help Retailers to attract the customers.
- Do not change distributor frequently, because he is the only person who act as a connecting link between company and retailers.
- Amul should try to improve the quality of the milk pouch packaging.

CONCLUSION

Amul is doing a great job since many years though there are some problems at minor level. So, Amul should focus on this and should rectify these problems as local or small-scale dairy companies take advantage of it and take the market share of the company. Though Amul marketing strategy is very good but they focus on some products not every product so they should promote every product. Amul should make good relations with their distributors and retailers and should give some gifts and offer occasionally so that they can be more loyal to them.

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