

A Brand Story of

Amul

By

Abhinav Goel

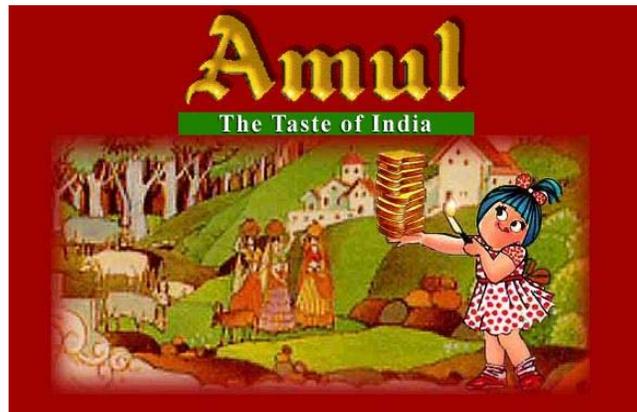
PGP(2003-2005)

IIM Kozhikode

Sections: -

Part I	Part VI
Part II	Part VII
Part III	Part VIII
Part IV	Part IX
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Introduction



Amul – The Taste of India, a brand so distinctively Indian, has been a part of our lives for nearly five decades now and still is able to touch a chord in our hearts. As a brand Amul has grown from being merely a differentiating factor to protect the interests of producers and consumers, and has now become a critical success factor in the very existence and growth of a movement that started way back in the pre-independence India.

The Genesis

Amul sprung from the seeds sown in the black soil of Charotar, an area in the Kaira district of Gujarat, as a cooperative movement to empower the milk producers. The beginning of the journey this brand embarked upon is itself quite unique and needs greater scrutiny. The milk producers' cooperative formed in Gujarat was in response to the monopoly that existed since the time of colonial India. At that time Polson Dairy was the biggest buyer of the milk being produced in Kaira. Polson was built on the basis of providing superior quality products to up-market consumers. "Polson" was in fact a brand as synonymous with butter as "Xerox" is with photocopy. However Polson's products were not the reason that led to the rise of Amul, it was its exploitative practices that started the cooperative revolution. Polson indeed played the role of Goliath to Amul's David. The challenge that lay before the milk cooperative was not only to upstage Polson's monopoly on the supply side, but also to capture the booming milk

products market with a their own brand. So the very basis of competition became high quality value-for-money products. It was under such circumstances that the foundations of Amul were laid.

For several years the Kaira cooperative supplied milk and allied products without a formal distribution network leave alone a brand name. However under the leadership of Verghese Kurien the brand name Amul was formally adopted. When the need of a brand name for the Kaira Cooperative was felt initially, the word was circulated in Anand (the birth place of Amul) among friends and cooperative members. The name Amul was most probably suggested by a quality control expert in Anand. It was derived from "*amulya*", which in Sanskrit, Gujarati and many other Indian languages, means priceless, and implies matchless excellence. As an Indian name, it associated itself with pride in swadeshi goods, a striking contrast to the English sound of Polson. The name was short, memorable and easily pronounced. It could also serve as an acronym for the organization – the unusable KDCMPUL (Kaira District Cooperative Milk Producer's Union Limited) taken from Kaira Cooperative's full name, could be substituted by AMUL, standing for Anand Milk Union Limited. Although not the Cooperative's true name it unmistakably conveyed the desired meaning. Even though Amul products have been in use in millions of homes since 1946, the brand Amul was registered only in 1957. The difficulty in registration stemmed from the fact that the cooperative had to prove enough sales and advertisements before this common word could be established as a brand name of a dairy product.

The Growth Era

Amul came into being as a consequence of a revolution and it has continued to be revolutionary in every stage of its life. It initially started a as means to balance the fluctuating milk supply and grew at a phenomenal rate as a liquid milk supplier. The Kaira Union began pasteurizing milk for the Bombay Milk Scheme in 1948. However by the 1950s it was amply clear that the future lay in manufactured dairy products. Amul responded by embarking on a wide range of dairy processing activities, involving new technologies, and by expanding its processing facilities. It challenged the established

Polson brand in butter manufacturing, and then moved on to sweetened condensed milk in direct confrontation with the international giant Nestle. It also locked horns with Glaxo over the production of baby food in India. On all of these occasions Amul not only displayed feats of resilience but in fact came out much stronger than ever before.

Amul realized it as early as late 1960s that the only way it could increase the share of the market was by maintaining the reasonable prices of its products, but widening the range. During 1966-1970, Amul added sweet buttermilk powder, a second brand of baby food (Amulspray) and a high protein weaning food (Balamul). In 1974 the Amul Milk Chocolate was released commercially and was followed by several varieties of chocolates and chocolate confectionaries. Also, Nutramul, a malted cocoa beverage was launched in 1976. Cheese powder was released commercially in the early 70s.

As district unions multiplied, Kaira Cooperative recognized the benefits of a marketing federation and thus the *Gujarat Cooperative Milk Marketing Federation (GCMMF)* was



established in 1973. GCMMF commenced marketing on April 1, 1974 under the single brand name of Amul. In 1978-79 it registered a turnover of Rs. 100 crore which grew to Rs. 539.67 crore in 1987-89. In 2002-03 the turnover stood at Rs. 2745.70 crore. At present GCMMF has 2.28 million producer members with a total milk collection in 2002-03 being 1.86 billion litres. The success rate has been to the extent that GCMMF has now become India's largest food products marketing organization. *(An overview of GCMMF and sales turnover for the past 10 years is provided in Appendix A)*

GCMMF test marketed Amul Cheese spread in 1983 following it with a new softer cheese spread. In 1982, it introduced Amul Shrikhand in Bombay, and brought out new flavors between 1986 and 1989. Amul UHT milk in tetra packs, with a shelf life of 15 days, was released in 1983 and by 1988-89 UHT milk with shelf life of 60 days had become available. Between 1987 and 1989, Amul Choco Shake, Amul Elaichi Shake, and Amul Lassi were successfully marketed in tetra bricks.



In the 1990s, Amul continued on an expansion path and several new product ranges were added to its portfolio. A much deeper Amul Cheese range with Amul Malai Paneer and Amul Pizza Cheese, extended Amul Mithaee range with Gulabjamuns and Kulfi mix, a wider UHT milk range Amul Taaza milk and Amul Fresh Cream, fresh milk range with brands like Amul Gold, Amul Smart and Amul Shakti, a new Curd range with Amul Masti Dahi, and a new Milk drink – Amul Shakti Flavored Milk. Amul also started aggressive marketing of its wide array of Ice creams posing stiff competition to established players like HLL's Kwality Walls and Mother Dairy. Recently it also introduced ready to serve soups under the brand name of Masti. *(A complete product listing of Amul is provided in [Appendix B](#))*

Today 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. Amul has evolved from its traditional image and now is a symbol of many things. Of high-quality products sold at reasonable prices. Of the genesis of a vast co-operative network. Of the triumph of indigenous technology. Of the marketing savvy of a farmers' organisation. And of a proven model for dairy development.

The Amul Butter Girl

The moppet who put Amul on India's breakfast table

Edited from an article by Mini Varma published in The Asian Age on March 3, 1996



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 spell on the masses.

Bombay: Summer of 1967. Mrs. Sheela Mane, a 28-year-old housewife is out in the balcony drying clothes. From her second floor flat she can see her neighbors on the road. There are other people too. The crowd seems to be growing larger by the minute. Unable to curb her curiosity Sheela Mane hurries down to see what all the commotion is about. She expects the worst but can see no signs of an accident. It is her four-year-old who draws her attention to the hoarding that has come up overnight. "It was the first Amul hoarding that was put up in Mumbai," recalls Sheela Mane. "People loved it. I remember it was our favorite topic of discussion for the next one week! Everywhere we went somehow or the other the campaign always seemed to crop up in our conversation."

Call her the Friday to Friday star. Round eyed, chubby cheeked, winking at you, from strategically placed hoardings at many traffic lights. She is the Amul moppet everyone loves to love. How often have we stopped, looked, chuckled at the Amul hoarding that casts her sometime as the coy, shy Madhuri, a bold sensuous Urmila or simply as herself, dressed in her little polka dotted dress and a red and white bow, holding out her favourite packet of butter.



One of the first Amul hoardings

For 30 odd years the Utterly Butterly girl has managed to keep her fan following intact. So much so that the ads are now ready to enter the *Guinness Book of World Records* for being the longest running campaign ever. It all began in 1966 when Sylvester daCunha, then the managing director of the advertising agency, ASP, clinched the account for Amul butter. The butter, which had been launched in 1945, had a staid, boring image, primarily because the earlier advertising agency which was in charge of the account preferred to stick to routine, corporate ads.

In India, food was something one couldn't afford to fool around with. It had been taken too seriously, for too long. Sylvester daCunha decided it was time for a change of image. The year he took over the account, the country saw the birth of a campaign whose charm has endured fickle public opinion, gimmickry and all else.

For the first one year the ads made statements of some kind or the other but they had not yet acquired the topical tone. In 1967, Sylvester decided that giving the ads a solid concept would give them extra mileage. From then on Amul began playing the role of a social observer. Over the years the campaign acquired that all important Amul touch.



Amul's point of view on the MR coffee controversy

India looked forward to Amul's evocative humour. If the Naxalite movement was the happening thing in Calcutta, Amul would be up there on the hoardings saying, "Bread without Amul Butter, *cholbe na cholbe na* (won't do, won't do). If there was an Indian Airlines strike Amul would be there again saying, Indian Airlines Won't Fly Without Amul. Despite some of the negative reactions that the ads have got, DaCunhas have made it a policy not to play it safe. There are numerous ads that are risqué in tone.

From the Sixties to the Nineties, the Amul ads have come a long way. While most people agree that the Amul ads were at their peak in the Eighties they still maintain that the Amul ads continue to tease a laughter out of them. *(Some of the recent Amul Topicals are available in Appendix C)*

Where does Amul's magic actually lie? Many believe that the charm lies in the catchy lines. That we laugh because the humor is what anybody would enjoy. They don't pander to your nationality or certain sentiments. It's pure and simple everyday fun.

Today, after becoming everyone's favorite little "utterly butterly delicious" girl through print and television ads, the Amul Butter Girl has finally come alive. The search for an Amul Butter Girl and an Amul Cheese Boy was conducted in 2000, through a national Amul Surabhi search contest. The agency created the Amul Cheese Boy character to promote Amul's cheese range of products with the base line "Amul Cheese, Yes Please!". With this advancement Amul has tried to infuse fresh energy into its long running campaign and bring a more human face to its brand.

The Road Ahead

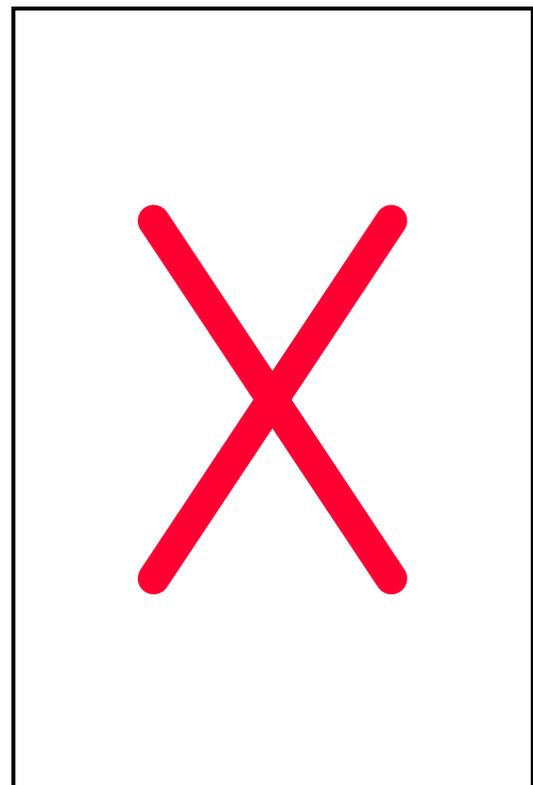
What does the Amul saga tell us after all? Is it just a play of Indian sentiments or Amul needs more than the magic of its Butter Girl? Well let us now take a look at some of the recent initiatives taken by Amul and try to visualize the brand some years down the line.

Growing Exports:

GCMMF is India's largest exporter of Dairy Products today with a "Trading House" status. Many of Amul's products are now available in the USA, Gulf Countries and Singapore. Amul has successfully capitalized its quality product offerings to win the hearts of overseas consumers and thereby has opened vast international markets for products like Amul Butter, Pure Ghee, Mithai, Cheese, Nutramul etc. With a strong domestic brand image Amul is now in the process of transforming itself into a truly global brand. A pat on the back is that Young & Rubicam's proprietary Brand Asset Valuator (BAV), which has studied brands worldwide since 1993, has recognized Amul as a highly respected brand in league with Maruti and Raymond's.

Developing e-Competency:

Amul made an important decision in 1995 to adopt "information technology integration" as a strategic thrust. The objective was to create new efficiencies in all aspects of business, heighten competitiveness, and extend market reach (both within India and in export markets). A website (<http://www.amul.com>) was constructed featuring sports information, recipes and quizzes (to stimulate buyer interest and to establish national brand recognition) and business-to-consumer order placement. Amul cyberstores have now been set up in 125 locations in India, the USA, Singapore and Dubai. Amul has now set up



separate cyber stores for its popular ice creams as well. Each visit to the Indian cyberstore sites results in purchases averaging over Rs. 300. An e-mail database of customers is also being prepared. The remarkable thing is that all this has been achieved in a matter of just 7-8 years despite a high “touch-and-feel” consumer culture in India. As the company website claims “The Taste of India is now a few clicks away from your doorstep...”

Adding a Service Dimension:

Recently Amul undertook an initiative which is still quite untested but which offers a marketing move that can play a branding role, boost sales and add new revenue stream. This all could be possible as Amul is now adding a service element to its product offerings. Amul has started preparing and selling pizza slices that prominently feature generous portions of Amul cheese. Amul’s pizza slices are being sold through super markets and large departmental stores that have snack counters and microwave ovens.

The move to add a service dimension was necessitated by the fact that Amul now faces stiff competition on many fronts with Britannia as its leading competitor. The increased competition in cheese market motivated Amul to expand its business into selling pizza slices, in the hope that it will boost sales and make cheese products more accessible.

Search for new markets:

Amul recently entered the fresh milk market in Delhi, the stronghold of National Dairy Development Board’s (NDDDB) Mother Dairy. This move was met with an unprecedented demand which has altered the entire competitive scenario in Delhi. Amul currently has a capacity of only 80,000 litres per day (LPD) which it plans to ramp up to three lakh litres per day (LLPD). It is believed to be actively looking at alliances with dairies located around Delhi and its neighborhood. It is also planning to set up a new five lakh litre per day (LLPD) dairy plant in Haryana to cater to the northern market. It seems Delhi’s just the beginning and Amul is all set to tap the dairy business all over India leveraging its brand.

In June 2003 Amul tied up with petro retailer IBP for selling its products like ice creams, flavored milk, pizzas and sweets from its retail outlets. This alliance not only adds value to the petrol stations but also provides Amul a whole new nation-wide retailing chain through which it can tap currently unexplored markets.

Enhancing visibility

According to RS Sodhi, General Manager (Marketing), GCMMF “An umbrella brand has a universal core value like a family tree. However, until and unless an umbrella brand is strong and trustworthy enough, consumers and retailers will be hesitant to easily accept any new product doled out from the same company, even if the new product category is associated with its umbrella brand. Also, a successful umbrella brand will enable a company to spend one per cent on advertising campaigns, as compared to six to seven per cent which is otherwise spent on promoting an independent brand.” Taking from this viewpoint the marketing strategy of Amul becomes clear where the brand “Amul” is extensively promoted in all of its advertisements. Amul is now aggressively promoting its brand through all kinds of media and especially the thrust recently has been on the newly introduced products like ice creams. Although some advertisements maybe product-specific yet the power of brand Amul is always there. *(A selection of Amul advertisements is available in Appendix D)*

A Final Word

Amul is an amazing and inspiring story of how a milk producers’ cooperative movement created a brand so powerful that it has not only lasted for five decades but has grown into a giant in the food industry. It has risen from Indian soil and it remains Indian in every sense. With roots well established in the domestic market Amul is all set to fight in the global arena. With the commitment it has shown in the past it will not be too long when Amul emerges a winner on all fronts.

Appendix A

Gujarat Cooperative Milk Marketing Federation: An Overview

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

Members:	12 district cooperative milk producers' Union
No. of Producer Members:	2.28 million
No. of Village Societies:	11,132
Total Milk handling capacity:	6.7 million litres per day
Milk collection (Total - 2002-03):	1.86 billion litres
Milk collection (Daily Avg 2002-03):	5.08 million litres
Milk Drying Capacity:	510 metric Tons per day
Cattlefeed manufacturing Capacity:	1450 Mts per day

Sales Turnover
Rs (million)
US \$ (in million)

1994-95

11140

355

1995-96

13790

400

1996-97

15540

450

1997-98

18840

455

1998-99

22192

493

1999-00
22185
493

2000-01
22588
500

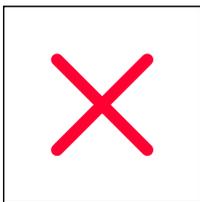
2001-02
23365
500

2002-03
27457
575

Source: <http://www.amul.com>

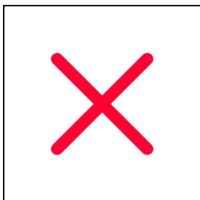
Appendix B

Complete List of Products Marketed under Amul Brand



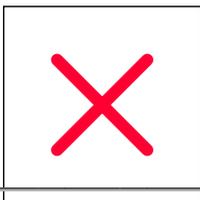
Breadsreads:

- Amul Butter
- Amul Lite Low Fat Breadsread
- Amul Cooking Butter



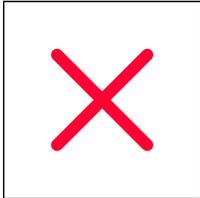
Cheese Range:

- Amul Pasteurized Processed Cheddar Cheese
- Amul Processed Cheese Spread
- Amul Pizza (Mozarella) Cheese



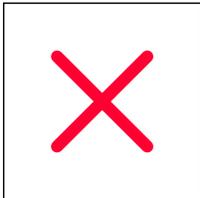
- Amul Shredded Pizza Cheese

- Amul Emmental Cheese
- Amul Gouda Cheese
- Amul Malai Paneer (cottage cheese) Frozen and Tinned
- Utterly Delicious Pizza



Mithaee Range (Ethnic sweets):

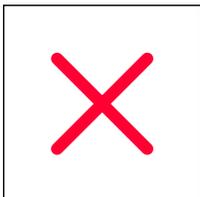
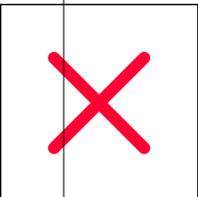
- Amul Shrikhand (Mango, Saffron, Almond Pistachio, Cardamom)
- Amul Amrakhand
- Amul Mithaee Gulabjamuns
- Amul Mithaee Gulabjamun Mix



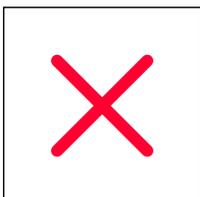
- Amul Mithaee Kulfi Mix

UHT Milk Range:

- Amul Taaza 3% fat Milk
- Amul Gold 4.5% fat Milk
- Amul Slim-n-Trim 0% fat milk
- Amul Chocolate Milk



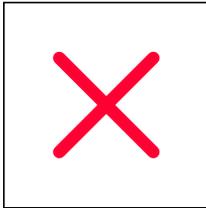
- Amul Fresh Cream
- Amul Snowcap Softy Mix
- Amul Taaza Double Toned Milk



Pure Ghee:

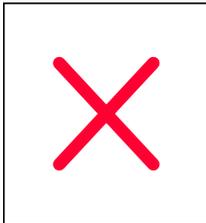
- Amul Pure Ghee
- Sagar Pure Ghee

- Amul Cow Ghee



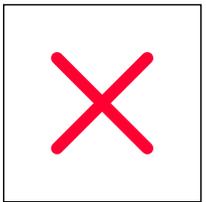
Infant Milk Range:

- Amul Infant Milk Formula 1 (0-6 months)
- Amul Infant Milk Formula 2 (6 months above)
- Amulspray Infant Milk Food



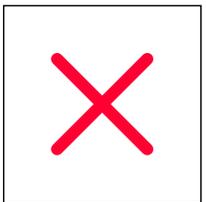
Milk Powders:

- Amul Full Cream Milk Powder
- Amulya Dairy Whitener
- Sagar Skimmed Milk Powder
- Sagar Tea and Coffee Whitener



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

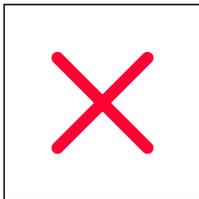


Sweetened Condensed Milk:

- Amul Mithaimate Sweetened Condensed Milk

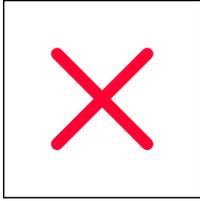
Curd

- Amul
- Amul
- Amul Lassee

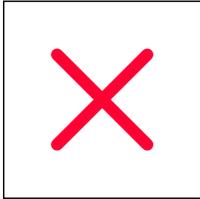


Products:

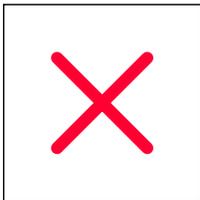
- Masti Dahi (fresh curd)
- Butter Milk

**Chocolate & Confectionery:**

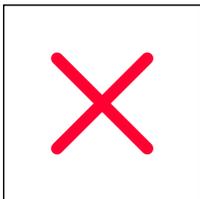
- Amul Milk Chocolate
- Amul Fruit & Nut Chocolate
- Amul Eclairs

**Brown Beverage:**

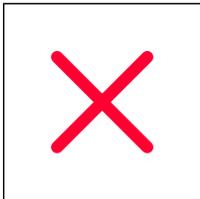
- Nutramul Malted Milk Food

**Milk Drink:**

- Amul Shakti Flavoured Milk

**Ready to Serve Soups:**

- Masti Tomato Soup
- Masti Hot & Sour Soup

**Amul Icecreams:**

- Royal Treat Range (Rajbhog, Cappuchino, Chocochips, Butterscotch, Tutti Frutti)
- Tricone Cones (Butterscotch, Chocolate)
- Nature's Treat (Alphanso Mango, Fresh Litchi, Anjir, Fresh Strawberry, Black Currant)
- 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)

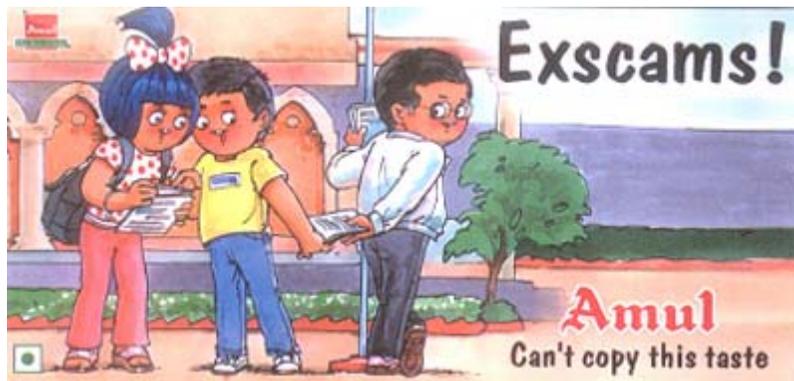
- Sundae Range (Mango, Black Currant, Chocolate, Strawberry)
- Millennium Icecream (Cheese with Almonds, Dates with Honey)
- Milk Bars (Chocobar, Mango Dolly, Raspberry Dolly, Shahi Badam Kulfi, Shahi Pista Kulfi, Mawa Malai Kulfi, Green Pista Kulfi)
- Cool Candies (Orange, Mango)
- Cassatta
- Megabite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

Source: <http://www.amul.com>

Appendix C

Select Amul Topicals from 2003-2004

C.1



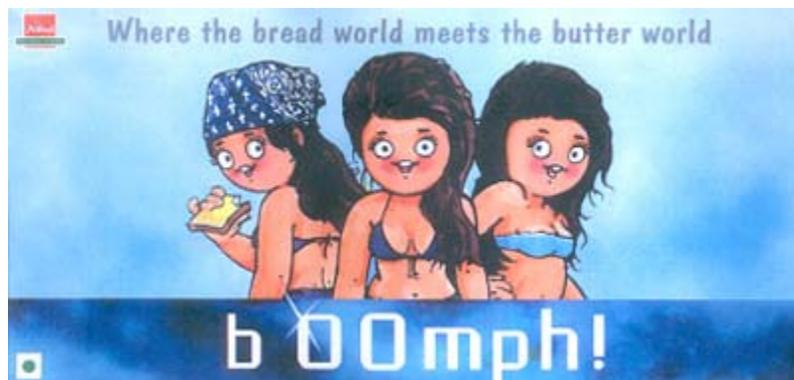
Question paper leakage of Common Admission Test (CAT) for seats to the Indian Institutes of Management

C.2



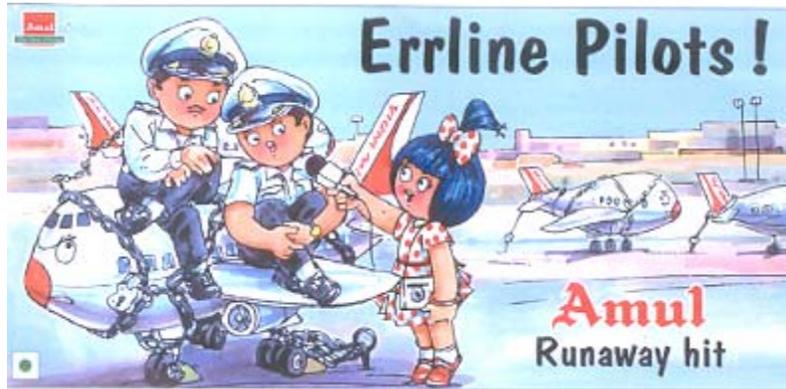
Chhattisgarh's political leader in an alleged corrupt deal

C.3



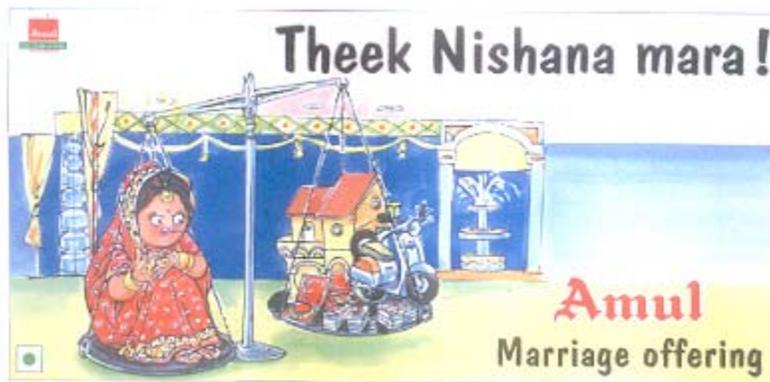
Pun on the storyline (the fashion world meets the Underworld) of the hyped up Bollywood film 'Boom'

C.4



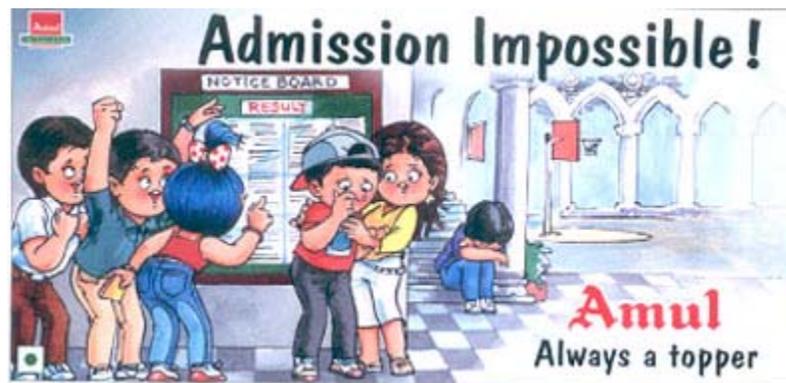
Air India pilots strike due to SARS scare

C.5



Nisha Sharma refused to marry her groom-to-be after additional dowry demands were made on the weddingday.

C.6



On difficulties in obtaining college admissions

Source: <http://www.amul.com>

Appendix D

Select Amul Advertisements over the years

D.1



D.2



**SOME OF THE MOST
BEAUTIFUL FEELINGS IN THE WORLD
ARE STILL INDIAN.**

WE WANT INDIA'S FINEST BUTTER,
CHOCOLATES, CHEESE, SPREADS,
BROWN BEVERAGE, ICECREAM,
CHEESE, GHEE, MILK, MILK POWDER.



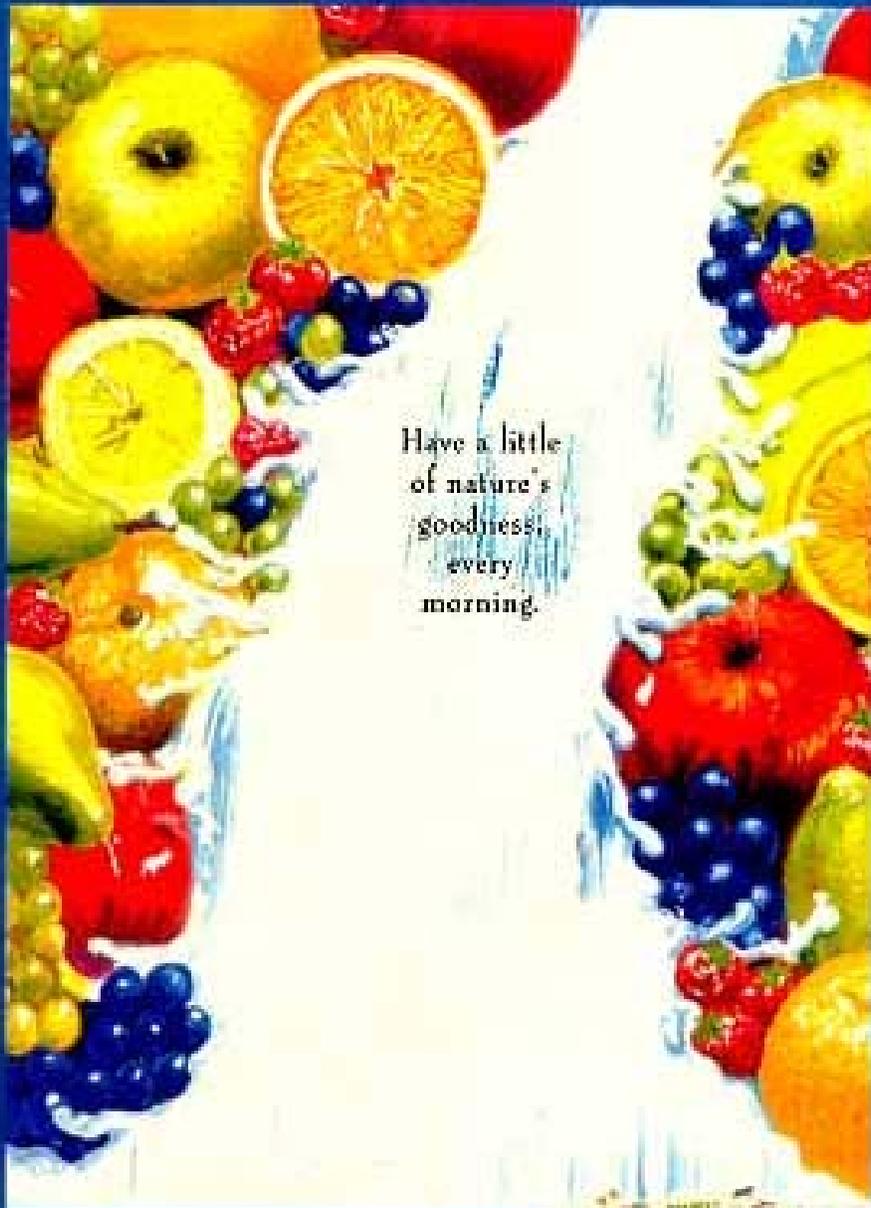
BEANS, SPREAD, LAMBS LETT, DAIRY,
WHITENER, MILK, AND WHISKY,
AND WE ARE STILL INDIAN ALL THE
WAY LIKE YOU AND YOUR PARENTS.

LIKE US.



© Gujarat Cooperative Milk Marketing Federation Ltd., Amul 1993-2011

D.3



Have a little
of nature's
goodness,
every
morning.

Refreshing, wholesome milk is now available at your doorstep,
every morning. Thanks to Amul Milk. The milk that's pasteurized
and packed hygienically in pouches to keep in the freshness and
good taste. It's the way mother nature always wanted it to be.



Amul
Milk
The milkier milk.

D.4



D.5

Should you settle for a bigger refrigerator?

You're a delicious new problem. Amul Cheese Spread demands a little more space now. Because we have added two more flavours. Pepper. And Garlic. A dash of the former. And just a spicy hint of the latter. Plus the good old yummy Flan. And all in beautiful new packs. And all at the same old price. Plus, you can hug'em all till your eyes pop because they are all low-fat. So you do have a problem. But how come you're smiling?

Amul CHEESE SPREAD
NOTHING BETTER.

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D.6



Will you be mine?
(I'll give you Amul Milk Chocolate every day)



Never leave me
(I hate eating Amul Fruit & Nut alone)



I understand ...
(Your weakness for Amul Crisp)



I care
(I will always be there with Amul Crunch)



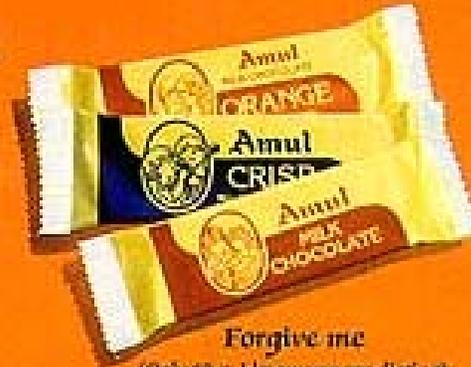
Till we meet again
(Smile. Here's your favourite Amul Orange)



Forget-me-not
(Here's Amul Badambar - the memory bar)



Why do I love you so much?
(Maybe because both of us long for Amul Bitter)



Forgive me
(Only 15 g. I know you are dieting)

*Amul
Chocolates
- a gift
for
someone
you
love*



Marketed by
Cooper's Co-operative Milk Marketing
Federation Ltd, Amul, 399, 401

Source: <http://www.amul.com>

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