Reasons for the Success Story of Amul: An Empirical Study of Customers' Opinions

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ABSTRACT

Amul is derived from the Sanskrit word “Amulya,” which means valuable or priceless. This paper examines how the dairy product company has reached the level of excellence as one of the leading corporate players. It all began 75 years ago when impoverished farmers with little cattle banded together to establish a rural dairy organization. The fundamental purpose has been emphasized with a quick summary of the practices responsible for the brand’s extraordinary development and success (Carroll & Shabana, 2010). Implementation of solid marketing and ethical tactics will be the focus of this study about the management of this enormous endeavor to become Asia’s biggest dairy products producer. The progressive work of Amul inspired India’s “White Revolution” by improving the lives of rural people in order to increase output and meet the rising demand for healthy, nutritious food in society. This also focuses on the company’s innovative advertising and the brief description of the high-quality standards mantras responsible for the company’s phenomenal growth and success. The company was concerned with dairy farmers and product consumers as the nation battled to contain the covid virus-19 pandemic (Uddin et al., 2020). During the lockdown, most dairy product companies decided to reduce media spending, but Amul continued to promote its brand by educating the public about the importance of covid-19 guidelines. Amul chose to alter its marketing techniques by forming its cooperative organization, which became a turning point in the dairy growth program for the nation. Amul’s establishment of eco-friendly operations to meet growing demand and achieve more success is contingent on the company’s motivated and devoted employees in producing safe foods and goods. The dairy company’s growth concerning other dairy products occurred despite its exposure to several difficulties and formidable market competition. The tenacity and labor of poor farmers and livestock owners enabled them to become entrepreneurs and sustain their way of life (Ferroni & Zhou, 2012). The endeavor demonstrated that Amul is invaluable in every way, and we must protect it. Therefore, it is not self-serving since it always assures that the profits gained are dispersed equitably for the benefit of farmers and socioeconomic advancement. A standard questionnaire with a five-point interval scale was used to gather data from 119 respondents.

Keywords- Success, Dairy, Products, Description, Company, Farmers.

I. INTRODUCTION

Amul is a trademark owned by the Indian dairy cooperative society and administered or managed by the Gujarat Cooperative Milk Marketing Federation ltd. The Dairy Cooperative Society was founded in 1946, with Dr. Maganbhai Patel, a prominent agricultural college head, suggesting the name. The country has emerged as one of the world's largest milk producers in the 21st century. In contrast, Amul has become one of the most recognizable brands in India, competing with internationally renowned brands. It has had tremendous growth in this sector to position itself as the market leader and is now the country's most prominent FMCG or food company (Shetty et al., 2021). Kaira farmers formed a cooperative (Kaira District Co-operative Milk Producers Union) to organize the marginal farmers to gather and process milk in response to unfair selling
practices (Shah, 2013). According to its slogan, the dairy products manufacturer is one of the most popular brands in the nation. Dr. Varghese Kurien, the milkman of India, was the actual creator of the Amul brand. It has earned countless honors throughout its path to success (Naem, 2014). Amul is not just a brand but also a symbol of the excellent self-governance of farmers in fifty nations. On its path to success, the firm has continuously developed new products and commodities, novel marketing strategies, and a more cost-regulated and productive organizational structure while stimulating the traditional collective style. The quickly changing business climate has allowed the corporation to operate with integrity to preserve its product preference and taste position for the organization's benefit (Djelassi & Decoorman, 2013). It has served as a proven example of the growth of the dairy industry as a symbol of numerous high-quality objects and products at low prices. Since its continuance, numerous households have used its items, including Amul butter, Amul cheese, Amul milk, Amul ice creams, and Amul chocolates. This expansion and true success resulted from the significance placed on the processed food industry, which also aided them in marketing their goods in other nations to increase consumer knowledge of their products.

After developing its presence in several nations, including China, Hong Kong, and Mauritius, Amul offers a secure market at profitable rates for its goods. Through its creative techniques, it has been primarily responsible for becoming one of the world's most prominent milk advocates. This Indian milk cooperative aims to conduct considerable commerce to satisfy farmer demand without government involvement while providing a support structure that does not disrupt their agroeconomic system (Klerkx & Leeuwis, 2009). Amul has achieved remarkable success in emerging markets by transforming and consolidating various strategies and techniques, such as building a fair network mechanism and developing trust and values for sharing practical benefits across the supply chain, into the hierarchical management of enormous supply chains. The report also highlights the role of cooperatives that have contributed to the worldwide growth of the dairy sector and Amul's ascent to the pinnacle of perfection. Globally, many cooperatives have played a crucial role in averting market failures; these cooperatives have modest memberships with some value addition, notably in the past decade, for driving and restructuring everyday operations by attracting outside investments. The company's journey to excellence is characterized by several analytical assessments of business conditions and other goals to establish reproducible and transparent operations based on trust among network members (Ahuja et al., 2012). It also enabled thousands of rural village women's economic independence in dairy farming. Amul has achieved self-sufficiency on its path to success, as it now handles all of its finance and investments, which contribute to the growth and development of the brand.

II. LITERATURE REVIEW

The catchy music "Amul doodh Peeta hai India" played on every little screen, touching the hearts of family members of all ages owing to the variety of items met on the market. Amul always takes advantage of every opportunity to depict the brand in innovative ways to target medium and profitable categories because its place in the dairy industry is based on commodity price rather than the possession of consumers. India is one of the most significant milk-producing countries in the world due to the nation's high dairy cow population. Today, even after 75 years, Amul continues to engage and entertain Indian customers with its basic, straightforward marketing approach, making it one of the top brands in the world (Matthee, 2009). Amul has come a long way since it was founded in 1946 in Anand, Gujarat, to combat the exploitation of farmers by intermediaries (Chawla, 2007). A quality control specialist in Anand offered the brand name derived from the Sanskrit word 'AMULYA,' the name of an Indian dairy cooperative. Amul stands for Anand Milk Union Limited, which led state governments around India to establish similar organizations. Prior to Amul's inception, farmers were exploited by private merchants and intermediaries. As a result, consumer feedback demonstrates that Amul is more than just a commodity, as it safeguarded the farmers' self-sufficiency. Recent studies and research indicate that India's Amul Company has risen to eighth place among the world's major milk processing companies by outselling competitors in terms of sales and brand development (Mani et al., 2017). In the past, farmers in the Kheda area were compelled to sell their milk for whatever money was available, devastatingly impacting their way of life. Farmers were often permitted to sell cream, ghee, and milk products at throwaway rates, even though the money earned was unreliable. Consequently, farmers gradually realized that their market organization could only halt exploitation by intermediaries and farmers.

Contractors and intermediaries controlled the milk and dairy products marketing system because farmers were illiterate and could sell their products at low prices. However, intermediaries traded milk and dairy products at inflated prices, an unethical practice that became more apparent when the Government of Bombay launched the Bombay Milk Scheme in 1945. The Government of Bombay contracted with Polson's Limited systematically to deliver milk from Anand to Bombay. It was deemed lucrative by the government, and the adaption was spot-on, except for the farmers, who were concerned that the right milk price had not yet been established, leaving them at the mercy of milk contractors (Singh & Singh, 2013). Amul initiated the White Revolution in the 1970s to make India the world's...
largest producer of milk, and it has processed products while remaining self-sufficient. Tribhuvan Das Patel took the farmers to Sardar Patel to resolve their problems and offer them equal rights and chances in the marketplace since the farmers had been victimized by unfair trade practices and deceptive behavior by local businesses and traders (Cheyns, 2014).

In 1942, the Iron Man of India, Sardar Vallabhbhai Patel, who pushed for farmer cooperatives, restated his suggestion that farmers or producers must strive towards developing their cooperative organization with a pasteurization factory. He urged people to pursue self-employment and work independently out of compassion. The milkman of India, Dr. Verghese Kurien, quit his government job to unite the nation's farmers by working with Tribhuvan Das Patel and Morarji Desai to form a cooperative movement against the exploitation of farmers. This realization led to the Kheda District Cooperative Milk Producers Union, formally registered on December 14, 1946. It was formed to stop the mistreatment begun by the Polson Butter middleman, Pestonjee Edulji. These movements allowed cooperative society members to join together by taking risks to develop a new product line of the highest quality.

Amul was developed and founded by a few farmers to remove unfair trading practices and intermediaries' exploitation, improving impoverished farmers' lives (Ghafoor et al., 2017). The sole solution to these movements was to establish a facility for processing the milk into different products, such as butter and milk powder, by allowing the local farmer's cooperative organization to manage additional milk produced each year. According to customers, franchise success is not exceptional since product quality has always been maintained. From the beginning, they ultimately prioritized product quality and variety at a reasonable price. It was formed not just as a brand or franchise but also as a movement that gave Gujarati farmers a reason to hope, dream, and live, and it went on to become one of India's most successful businesses. The Government of India aided the alliance in acquiring commercial or monetary assistance and technical assistance to process milk products for the market. In addition, they adopted stringent measures to increase the quality of milk animals and their production capacity by implementing the critical village project, which was established as part of the Five Year Plan between (1951-56). Amul's goods are so unique for each age group on the market that the company has maintained its relevance in customers' eyes since its founding. In addition to these organized firms, several organizations compete with Amul via their own channels and ice cream alternatives since butter and cheese production is far less than that of other dairy products. It consistently targets Indian consumers by offering high-quality goods at competitive costs, historically attracting many customers.

The Gujarat Cooperative Milk Marketing Federation (GCMMF) manages the cooperative society via the organization's ingrained moral and ethical system, as these ideas and values continue to serve as a significant source of education and inspiration for each employee. Dr. Kurien established and fostered a value system from the inception of the organization, so laying the groundwork for its development at the same rate and with the same degree of quality as previously (Lampel et al., 2010). RS Sodhi, the company's managing director who works in the FMCG sector, has extensive experience in every dairy products business category. Oversees the company's operations at present. The organization has acquired a great deal of respect and renown throughout the globe because it tries to provide customers with goods that are good value for money while protecting the interests of farmers. Amul has targeted a large concentration of the Indian market with its low-price strategy, which attracts the majority of customers by providing high-quality products at a reasonable price. Amul has never compromised on professional grounds regarding separating decision-making management into two folds.

Branding and marketing methods that we are all acquainted with, such as the phrase "The Taste of India," which also advertised its whole product range under a single moniker, were vital to Amul's commercial success (Kathpalia & WEE ONG, 2015). All levels of society trust in the market that it does not engage in market segmentation, as other brands have for decades, based on perception and localization. This cooperative milk marketing federation had a lengthy and pervasive presence in every economic segment, whether they were millionaires or economically disadvantaged segments of society. Consumers in the market have unwavering confidence that the brand would never defraud them with their manufactured products, and this faith has grown through time (Murphy & Dweck, 2016). It draws the attention of local and hypermarkets because Indian homemakers primarily believe locally created goods to be of higher quality due to the usage of local ingredients in the manufacturing process. Customers are always delighted when they can get and are supplied with items of superior quality than those offered by competing businesses. Amul adheres to the highest sanitary and bacteriological standards to protect its market position since quality is the most crucial aspect of food product sales (Raghuvanshi et al., 2015).

The firm is the leading milk brand in Asia by providing a variety of goods, including low-fat cooking butter, in addition to its primary product (Jayadevan, 2013). Amul aims to assure customer and producer joy by delivering ever-increasing levels of satisfaction and a mission to improve the economic situations of farmers, staff, and distributors by attaining a quality management system via innovation and eco-friendly operations. Ice cream and Amul butter have a relatively high market...
share, which has increased as the population has grown. Comparatively, dairy goods such as milk, cheese, lassi, dark chocolates, and Amul kool face substantial market rivalry. Competitors that joined the market with their goods and grew gradually over the last several decades pose a formidable threat to the corporation. Kwality walls, Vadilal, Baskin-Robbins, Havmor, London Dairy, and Dinshaws, are among Amul's strong competitors since they have targeted various state customers or demographic groups. Havmor and Vadilal have a large customer base in the western portion of India, but Arun ice cream has invaded the southern region to give Amul very severe competition. There are other more confusing local competitors, each with its stores and ice cream varieties. This is one of the brands with a vast and extensive distribution network that is equally powerful in urban and rural distribution. Small farmers and dairy farms purchase roughly 24.6 million liters of milk each day from 18,600 rural milk cooperatives to provide them with remunerative returns while serving the interests of consumers as an example for the rest of the globe. It is also the country's most significant export of dairy products since it is now accessible in over 40 nations and serves as a direct connection between milk producers and customers at reasonable costs (Ul-Rehman et al., 2012).

The corporation is using its marketing campaigns, and social media plan to update its digital marketing approach in an increasingly digital environment. Kudeshia and Mittal (2015) noted that marketers use social networking as a strategic strategy for growth. The research concludes that increased presence and communication on different social media platforms assist companies in enhancing their brand image while simultaneously cutting their promotional expenditures.

The transition from offline commercials of a hand-drawn little girl cartoon wearing a polka-dot dress with blue hair and a ponytail holds a global record for the longest-running advertisement and brand promotion campaign, which has been highly successful in attracting customers. Amul was able to transition to online marketing due to the digitalized world by developing material for Facebook and Instagram on the benefits of milk and its byproducts. Thus, in 2013, the firm tasked Draftfcb Ulka, a digital marketing agency, with the production of innovative advertisements emphasizing the significance of milk in an age when junk food is prevalent. They designed several visuals to educate market customers on the many circumstances and advantages of consuming the manufactured items. Amul also created a 70-second clip on Instagram, Facebook, and YouTube featuring Dr. Kurien to connect with the kids and encourage them to be purpose-driven and motivated. It also presents Amul butter girl with humorous visuals at different times on Twitter since the brand has a large fan following relative to other social media platforms to communicate with customers. Customers like organizations in all business sectors that adhere to sustainable business practices (Srivastav & Mittal, 2021).

Amul also considers customer feedback and ensures that issues raised on these channels are resolved. During the covid-19 epidemic, Amul promoted easy homemade recipes with the hashtag #SimpleHomeMadeRemedies. On these media channels, they invited numerous chefs across India to demonstrate healthy food dishes and cooking techniques. Despite the lockdown, sales of Amul products have increased due to their high consumption by households during the period. This was accomplished by doubling the company's marketing expenditures, which resulted in the acquisition of 14% more milk while the company's revenue increased at a sluggish rate of 2%. The firm used the lockdown time to communicate with customers in an organized way to reassure them. It sought to increase the group's revenue to around 1 trillion rupees by 2025 to ensure the farmers' continued prosperity and means of subsistence (Reddy, 2017). In order to keep its client base in the face of intense competition during the epidemic, it used a competitive pricing approach and embraced offers such as buy one, get one free. These methods used to develop the brand have secured its visibility across the whole nation.

III. STUDY'S OBJECTIVES

1. To identify the reasons behind the success story of Amul.
2. To know customers' opinions on the success of Amul.

IV. METHODOLOGY

The research is an empirical one. There were 119 participants in the research. The information was gathered from them using a standardized questionnaire. Mean, and t-test application was made to identify the results. The method of sampling was convenience sampling.

V. FINDING OF THE STUDY

Table 1 displays the gender, showing male respondents as 58.82% and female respondents as 41.18%. Looking at the Age of the Respondents, those who are 25 to 30 years are 22.69%, those between 30 to 35 years are 34.45%, and those who are 35 years and above are 42.86%. Concerning the Types of Users, Children & Young are 49.58%, and Adults & Seniors are 50.42%. Regarding Products, Milk is 22.69%, Ghee / Butter is 15.97%, Chocolates are 32.77%, and Curd / Butter Milk is 28.57%.
Table 1: Details of the Respondents

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of respondents</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>70</td>
<td>58.82%</td>
</tr>
<tr>
<td>Female</td>
<td>49</td>
<td>41.18%</td>
</tr>
<tr>
<td>Total</td>
<td>119</td>
<td>100%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 to 30 years</td>
<td>27</td>
<td>22.69%</td>
</tr>
<tr>
<td>30 to 35 years</td>
<td>41</td>
<td>34.45%</td>
</tr>
<tr>
<td>35 years &amp; above</td>
<td>51</td>
<td>42.86%</td>
</tr>
<tr>
<td>Total</td>
<td>119</td>
<td>100%</td>
</tr>
<tr>
<td>Types of Users</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children &amp; Young</td>
<td>59</td>
<td>49.58%</td>
</tr>
<tr>
<td>Adults &amp; Seniors</td>
<td>60</td>
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</tr>
<tr>
<td>Total</td>
<td>119</td>
<td>100%</td>
</tr>
<tr>
<td>Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milk</td>
<td>27</td>
<td>22.69%</td>
</tr>
<tr>
<td>Ghee / Butter</td>
<td>19</td>
<td>15.97%</td>
</tr>
<tr>
<td>Chocolates</td>
<td>39</td>
<td>32.77%</td>
</tr>
<tr>
<td>Curd / Butter Milk</td>
<td>34</td>
<td>28.57%</td>
</tr>
<tr>
<td>Total</td>
<td>119</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2: Customer’s Opinion behind the Success of Amul

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Statement of Survey</th>
<th>Mean Value</th>
<th>t-Value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Amul girl was an effective tool for the advertisement of the brand</td>
<td>4.31</td>
<td>8.991</td>
<td>0.000</td>
</tr>
<tr>
<td>2.</td>
<td>Amul kept launching new products and was known for its innovative marketing</td>
<td>4.12</td>
<td>6.926</td>
<td>0.000</td>
</tr>
<tr>
<td>3.</td>
<td>Amul follows a three-tier cooperative structure and has an efficient supply chain</td>
<td>4.19</td>
<td>7.831</td>
<td>0.000</td>
</tr>
<tr>
<td>4.</td>
<td>Amul has a diverse portfolio of products, including kids, teenagers, calorie-conscious, and health-conscious products</td>
<td>4.29</td>
<td>8.785</td>
<td>0.000</td>
</tr>
<tr>
<td>5.</td>
<td>Amul has enabled farmers to be entrepreneurs and earn their living</td>
<td>4.22</td>
<td>8.138</td>
<td>0.000</td>
</tr>
<tr>
<td>6.</td>
<td>Amul was the first one to produce milk from powder from surplus milk</td>
<td>4.15</td>
<td>7.223</td>
<td>0.000</td>
</tr>
<tr>
<td>7.</td>
<td>Amul is established in not only India but also China, Hong Kong, Mauritius, and Japan</td>
<td>3.88</td>
<td>1.234</td>
<td>0.000</td>
</tr>
<tr>
<td>8.</td>
<td>Amul has never traded low-quality products and earned the trust of customers</td>
<td>4.26</td>
<td>8.563</td>
<td>0.000</td>
</tr>
<tr>
<td>9.</td>
<td>Amul always responded to the queries and questions of the customers on time and answered positively</td>
<td>4.13</td>
<td>7.013</td>
<td>0.000</td>
</tr>
<tr>
<td>10.</td>
<td>Amul products are considered as value for many and value for money by the customers</td>
<td>4.00</td>
<td>5.663</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Table 2 displays the Mean values for the statement for the study conducted to determine the "Customer’s Opinion behind the Success of Amul." The first statement is about the advertisement by Amul girl, "Amul girl was an effective tool for the brand's advertisement," which received a mean score of 4.31, followed by the statement about the launching of new products, "Amul kept launching new products and was known for its innovative marketing," which received a mean score of 4.12. About the supply chain, "Amul followed a three-tier cooperative structure and had an efficient supply chain" has a mean value of 4.19. In contrast, the statement "Amul had a diverse portfolio of products that included products for children, adolescents, those watching their caloric intake, and those concerned with their health" has a mean value of 4.25. In the manufacturing process, "Amul was the first to manufacture milk powder from excess milk" received a mean score of 4.22, while "Amul was the first to create milk powder from surplus milk" received a mean score of 4.15. Regarding the establishment of Amul industries, the statement "Amul is established not only in India, but also in China, Hong Kong, Mauritius, and Japan" has a mean score of 3.88.

In contrast, "Amul has never dealt in low-quality products and has earned the trust of customers" has a mean score of 3.88. The mean value for the statement about the reaction to customers is 4.26. In contrast, the mean value for the statement "Amul always reacted promptly and favorably to consumers’ inquiries and concerns" is 4.13. The mean value of the final statement, "Amul goods are regarded as Value by many
consumers and good value for money.” is 4.00. The t-value of each statement in the context of the Customer's Opinion behind Amul's Success is significant since t-value statements are positive, and the significance value is less than 0.05.

VI. CONCLUSION

Amul had come a long way from when it had to fight against the exploitation it suffered during its formative years at the hands of intermediaries. Today, the company's products are required purchases for every home in India (Halder & Pati, 2011). During the growth of cooperation, several activities were initiated to assist farmers in ensuring their development. This was accomplished by giving the farmers ownership over the resources they had personally generated through their toil and mass production. It has garnered much notice by devising great methods to entice a large number of clients and to win the affection of every Indian. The business has a persistent commitment to research and development in the pursuit of the creation of novel items for the market. Because of the company's varied portfolio, it can satisfy the requirements of every market segment for dairy products, which has resulted in the development of solid relationships with market customers over the last several years (Piercy & Lane, 2006). They never engage in aggressive marketing or advertising since the primary focus of the company's business strategy is on delivering the same level of value to both the company's suppliers and customers. A pricing strategy that was low in cost combined with a supply and logistics chain model that was properly thought out and implemented supported the firm in its building blocks toward Amul's success. Maintaining a brand presence in the market requires keeping a wide variety of items within easy reach of customers. This may be accomplished by working closely with merchants (Grewal et al., 2004). The value-for-money products Amul produces and distributes to retailers and dealers are among the most critical factors contributing to the company's position as one of the most successful brands in the dairy product industry. It inspired society that coming together in these modern times might lead to accomplishing more enormous feats of achievement. After doing a T-test to determine the study's results, it was discovered that every statement had a significant value that was less than 0.05, indicating that every statement was indeed significant.

REFERENCES


