

# **Study of Market Potential of Packaged Milk Industry in India**

**Rishabh Gupta**

**Post Graduated In Commerce, DU**

**K-107, Third Floor, Laxmi Nagar, 110092**

**Email - [id-rishabh.gupta3120@gmail.com](mailto:rid-rishabh.gupta3120@gmail.com)**

**Phone - 9560822632 / 8178614813**

## **Abstract**

Packaged milk is now having a significant dominance in Indian markets. The packaged milk industry has always been dominated by the two leading brands i.e. Amul and Mother Dairy. The present paper will try to identify the growth potential and marketing strategies of two leading brands. The paper will also try to study the consumer behavior and reasons of satisfaction among the two leading brands. The present paper also attempts to lay down a complete business plan of a new milk product which can break the dominance of Amul and Mother Dairy. The present will try to highlights the possible innovative and creative ways through which a company can market its product in packaged milk industry.

**Keywords:** Packaged Milk, Mother Dairy, Amul, Consumer Behavior, New product Development.

## **Introduction**

Amul and Mother Dairy are two dominant brands for packaged milk in India. The foundation for the establishment of Amul was laid down on December 1, 1946 as response to the exploitation to the only

existing brand i.e. Polson. Polson was given monopoly rights by the government. So, in order to stop unfair trade practices, farmer approached Sardar Vallabhai Patel. As a result, farmer formed a cooperative society which can supply milk direct to Bombay. In a short span of time, 5 other districts were set up. In order to avoid competition against each other and to save advertising cost an apex body of district, known as Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF) was formed. The cooperative was later on renamed as Ananda Milk Union limited (Amul).

Year 1980 marks the establishment of another market player in the packaged milk industry. Thus, Mother Dairy was formed as manufactured milk company

without any sort of financial assistance from government or financial institution. The main objective of company was to target middle class milk by providing milk at a cheaper rate.

Now, over a period of time both the companies are offering their packaged milk in almost similar price

### **Literature Review**

(Subhani & Osman, 2010) in his paper explained the association between brand awareness and brand loyalty for the packaged milk industry. He found that in Pakistan there is no relationship between the two. Marketers cannot easily attain brand loyalty just by investing heavily in promotional tools rather they should focus on developing and strengthening the supply chain and distribution network which will ultimately create brand awareness and brand loyalty.(G. & S., 2013) in their paper identifies the market potential of frozen food products in Bangalore. Packaged milk and frozen products are having a wide and increasing acceptance among the masses. (Adam & Ali, 2014) highlights the influence of packaged milk on buying behavior of consumer. Nutritional information and country of origin have a significant influence on consumer buying behavior whereas variety of milk have a little influence on the end user behavior. So firms should introduce many varieties of milk as it will ultimately create confusion in the mind of consumers. The paper also shed a light on the fact that it is easy for the international milk brand to enter in the country and to attract the potential customer because of the credibility of country of origin of

range. Amul is having a nationwide accessibility while Delhi NCR is dominated by its sibling rivalry i.e. Amul

product.(Shukla, 2015) in his paper explained the factors which influence the end user to purchase Mother Dairy and Amul milk. He explained that Mother is always the most preferred product among the retailers because of more margin provided by it. More use of advertisements and packaging of Amul give an edge over its competitor. (Nisa, 2016) in his paper studies the business model of Amul. The cooperative model of Amul is more promising but at the same time it must try to overcome political, legal and managerial limitations.

### **Research Objectives**

- To compare the growth potential and marketing strategies of two leading packaged milk brand i.e. Amul and Mother Dairy
- To identify the behavior of consumer towards the existing milk brands
- To prepare a marketing strategy of a new product which can break the dominance of these two leading brand.

### **Research Methodology**

Both primary and secondary has been collected for the research. A sample of 100 respondents has been collected from a survey conducted between the age

group of 18-60 years. Questionnaire method has been adopted to collect responses from the respondents in state of Delhi-NCR. Simple random sampling and descriptive statistics has been applied so as to make appropriate generalisation. Secondary

### **Market Growth And Packaging of Amul And Mother Dairy**



The above graphs shows the market growth of Amul. Amul owns 85% in butter, 75% in cheese, 63% in infant milk and 45% in dairy whiteners. Amul enjoys a significant share in packaged milk market. Amul has a expected growth rate of 20%. The graph shows the rising sales turnover of Amul shows its worldwide acceptability in Indian milk market.

Mother Dairy, sibling rivalry of Amul, markets 3.2 million of milk. Mother has a dominance in few cities of India like Delhi, Mumbai and hyderabad. Mother adopts a unique distribution network(bulk vending, milk booth, retail outlets and mobile units) to sell its

data has been collected from various journals, website, newspaper articles, etc so as to study the history, trends and marketing strategies of Amul and Mother Dairy.

product. The company has a expected marketing strategy to market its products in various other states of country. 65% revenue of Mother Dairy comes from its milk product. The company is having a projected growth rate of 19% in the coming years.

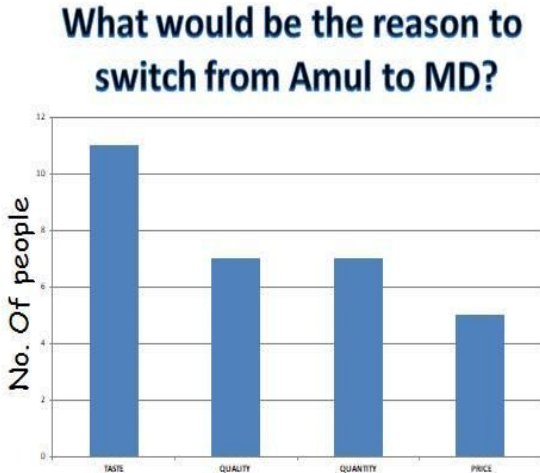
The packaging of Amul is always consumer centric and it always appeal to emotional side of consumer through its advertisement mascot (amul girl) which appears in various local national daily with some unique message. For example, the human facial expression of delight on the cheese variant packaging reveals the pleasure people derive from consuming cheese.

The packaging of Mother Dairy is more impactful, trustful and informative that communicate brand value to its customer, a statement given by the spokesperson of Mother Dairy. The company recently launched a new look of village graphic which highlights how the milk from the farm reaches the consumers home.

### **Findings**

In a survey conducted among the respondents with a sample size 100 in Delhi- NCR, it has been found that age group of 10-20 years and 20-30 years drinks the flavored milk most. It highlights the target

audience for milk and flavored milk which the companies should target



In another question, asking about the reasons for switching the brand, we found that taste is one of the prominent issues which forces the end users to shift from one brand to another. Companies should focus on improving the taste for its milk products so as to attract and retain them. It's the taste of a flavored milk which decides the dominance of the company in the flavored milk industry.

Respondents also revealed that they mostly see the milk advertisement on television. It also shed a

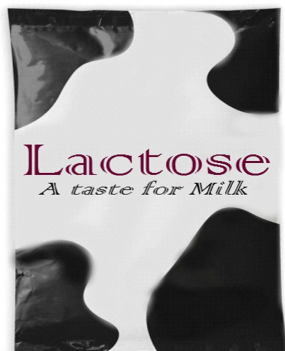
light on the promotional channel which potential market players in the flavored industry should use. Amul followed by the Mother Dairy are always the first priority of respondent in flavored milk category.

**New Product Product Development – Lactose : A Taste For Milk**

On the basis of results of a survey a new product development in the regular and flavored milk category has been suggested. The proposed name of a milk is lactose. Lactose is an ingredient found in the milk. It is a naturally occurring sugar found in milk and is a very important nutrient in milk. A tag line “A Taste For Milk” has been used so as to attract the potential customers. Various other variants like Banana, strawberry and chocolate needs to be offered so as to attract the small children and youth.

# Lactose

A Taste for Milk



# Flavors Offered



**Strawberry**



**Chocolate**



**Banana**

The company must adopt the affordable price for the regular and flavored milk in order to make its space in the market which is dominated by only a few big brands. The key focus must also be on offering high nutritional value and attractive packaging and labelling because they usually attract the visual attention of consumers. The company must go for new promotional techniques which not only popularise its product among its potential consumers but will also provide an edge over its market rivals. Adopting innovative promotional techniques will help in creating a demand for its product. Door-to-door campaigning and showing the quality of milk through a refractometer will definitely provide a sense

of quality assurance to consumers. Similarly, assisting the help of dabbawalas by putting advertisement on dabbas is another way to promote the product. The company can also organize various events like taste the milk and identify the brand, in villages and cities so a mass. Selling milk with some environment awareness message at its front packet is also another way to popularise the product. Although it is very difficult to compete in the milk market but still such type of similar efforts can help the new company to make its space in the heart of customer.

## Conclusion

Packaged milk industry is growing at a vibrant rate. As per estimates, around 75% of milk will be the branded one by 2030. The packaged milk industry must try to cut cost and use advance techniques so as to make its price at par with that loose milk. Improvement in the distribution and infrastructural facility is also needed in order to increase its market share. Various new enterants like Pantanjali and ITC Sahara group are now planning to enter in the packaged milk industry. Thus existing companies must take adequate measure in order to have its sustained dominance in the market. On the other hand, new entrants must follow some new and innovative strategies so as to break the clutter. They should come up with attractive product name, tag line and lucrative price option. The paper tried to highlight the possible innovative ways through

company can market its new packaged milk. Customer will be the ultimate winner irrespective of who wins the race.

### **Limitations**

The present paper tries to uncover each piece of information but no one's work is beyond limitations. Small sample size, pan India study, time and cost constraints are some of the few limitation for this study which highlights the further scopy for research. Moreover the proposed introduction of new product may need further expert advise and guidance so as to convert the theory framework into the practical one.

## **Bibliography**

(n.d.). Retrieved from

<https://www.hindustantimes.com/business/sibling-rivalry-mother-dairy-set-for-national-duel-with-amul/story-ycdxgFx D9wHejclhE2FI2K.html>

(n.d.). Retrieved from

<https://greenvalleylactosefree.com/lactose-intolerance/resources/what-is-the-purpose-of-lactose-in-milk-anyway>

(n.d.). Retrieved from

<https://en.wikipedia.org/wiki/Lactose>

(n.d.). Retrieved from

<https://www.motherdairy.com/branddetails/19/2>

(n.d.). Retrieved from

<http://www.amul.com/m/about-us>

(n.d.). Retrieved from

<http://www.fnbnews.com/Top-News/Indian-packaged-milk-sector-projected-to-grow-to-Rs-178384-bn-by-30>

Adam, M. A., & Ali, K. (2014, May 14). Impact of Verbal Elements of Packaging of Packaged Milk on Consumer Buying Behavior. *International Journal of Business and Social Science*, 5(1), 13.

Retrieved from  
<http://ssrn.com/abstract=2436746>

PRODUCTS". Retrieved from  
<http://ssrn.com/abstract=2563552>

G., R., & S., R. (2013, September 18). The Market Potential of Frozen Food Products in Bangalore. 29. Retrieved from <http://ssrn.com/abstract=2327534>

Subhani, M., & Osman, A. (2010, October). A Study On The Association Between Brand Awareness And Consumer/Brand Loyalty For The Packaged Milk Industry In Pakistan. *South Asian Journal of Management Sciences*, 5(1), 11. Retrieved from <http://ssrn.com/abstract=169511>

Nisa, D. S. (2016, May 6). A COMPARATIVE STUDY ON BUSINESS MODELS OF AGRO FOOD BUSINESS (CASE NESTLE INDIA AND AMUL). 27. Retrieved from <http://ssrn.com/abstract=2776480>

Shukla, S. (2015, November). "A COMPARATIVE ANALYSIS OF MOTHER & AMUL DAIRY

## **Annexure**

Name – \_\_\_\_\_,

Age – \_\_\_\_\_,

Sex - \_\_\_\_\_

1. Which milk do you drink?  
a. Amul   b. Mother dairy   c. Other   d. None
2. Have you ever tried the flavoured milk of amul?  
a. Yes   b. No
3. What brand would you say is more popular among the public?  
a. Amul   b. Mother dairy   c. Other
4. Do you think the price for its flavoured milk is?  
a. Cheap   b. Expensive   c. Appropriate
5. If you were to see the Amul logo somewhere would you recognize it?  
a. Yes   b. No
6. Which one do you find more available when buying Milk?  
a. Amul   b. Mother dairy   c. Both   d. Don't' know
7. How often do you buy the Product?  
a. Daily   b. Few times a week   c. Rarely   d. Few times a month
8. What influences your choice?  
a. Taste   b. Availability   c. Price   d. Brand image
9. In which media channel do you usually recognise Amul Advertisement?  
a. Television   b. Newspaper   c. Internet   d. Radio

- 10 What would be the reason for switching from Amul to Mother dairy?  
a. Taste      b. Quality      c. Quantity      d. Price
- 11 What's your general impression on Amul's Advertisement?  
a. Traditional      b. Trendy      c. Controversial      d. Enjoyable
- 12 Amul – The Taste of India has an overall brand image. Do you agree?  
a. Yes      b. No      c. Don't know
- 13 How do you rate Amul as a brand from 5 stars ?  
a. Less than 2 stars      b. 3 stars      c. 4 stars      d. 5 stars