



**“PROMOTIONAL STRATEGIES OF AMUL DAIRY INDUSTRY WITH REFERENCE TO NAGPUR CITY.”**

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**Abstract**

“Amul is one of the biggest players in the Indian market and have a huge market share. It is the brand of choice trusted by a lot of people in India. There are many reasons behind the success. The Promotion strategy adopted by Amul is one such reason.” This paper aims at study strategic influence of promotional mix on organization sales turnover in manufacturing organization. Therefore other factors of marketing mix such as product development, effective pricing, distribution of right quality and quantity to the consumers should be appropriately considered. Milk production is an integral part of the food consumption and it contains many nutrients and provides a quick and easy way of supplying these nutrients to the diet within relatively few calories. Milk, the most suitable food for young mammals, provides both energy and the building materials necessary for growth. The main objective of this study is to examine the relationship between the promotional strategies and brand awareness and find out to what extend the promotional strategy mostly impact on brand awareness of milk power brands in Nagpur district.

**Key Words:** Strategic Promotional Mix, Marketing Mix, Regression Model, Push and Pull Strategy.

**Introduction of Marketing**

Marketing is communicating the value of a product, service or brand to customers, for the purpose of promoting or selling that product, service, or brand. Marketing techniques include choosing target markets through market analysis and market segmentation, as well as understanding consumer behavior and advertising a product's value to the customer. Marketing blends art and applied science (such as behavioral sciences) and makes use of information technology. Marketing is applied in enterprise and organizations through marketing management. From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long-term relationships. “Sales promotion comprises a range of tactical marketing techniques designing which in a strategic marketing framework to add value to a product or service in order to achieve specific sales and marketing objective.”

**Marketing Mix**

Marketing is integral to the success of a business, large or small, with its primary focus on quality, consumer value and customer satisfaction. A strategy commonly utilised is the "Marketing Mix". The **SIVA Model** provides a demand/customer-centric alternative to the well-known 4Ps supply side model (product, price, placement, promotion) of marketing management.

Product		Solution
Promotion		Information
Price		Value
Place (Distribution)		Access



1. **Product:** Products are the goods and services that your business provides for sale to your target market. When developing a product you should consider quality, design, features, packaging, customer service and any subsequent after-sales service.
2. **Place:** Place is in regards to distribution, location and methods of getting the product to the customer. This includes the location of your business, shop front, distributors, logistics and the potential use of the internet to sell products directly to consumers.
3. **Price:** Price concerns the amount of money that customers must pay in order to purchase your products. There are a number of considerations in relation to price including price setting, discounting, credit and cash purchases as well as credit collection.
4. **Promotion:** Promotion refers to the act of communicating the benefits and value of your product to consumers. It then involves persuading general consumers to become customers of your business using methods such as advertising, direct marketing, personal selling and sales promotion.
5. **People:** People is an important factor in servicing industries - travel agencies, restaurants and hair salons. No two persons are the same and no two persons can provide the exact same service to customers.
6. **Process:** Process is the procedure, mechanism and flow of activities to provide service or to produce a product. The prevailing ISO standards (such as ISO9001) are designed to help organizations ensure their process can meet the needs of customers and other stakeholders in their field. A well organized and quality controlled process may reduce the online.
7. **Physical Evidence:** Physical Evidence is the element that allows the consumers to make judgments on that organization. It includes some of the following: Premises, Websites, Paperwork (such as air tickets) Brochures, Signage (such as those on aircraft and vehicles), uniforms,
8. **Packaging:** Marketing people have always emphasized the importance of packaging as it is the way to make a first impression on the customers; especially for the products on shelves.
9. **Payment:** Payment should also be included; as ease and security of transaction plays a crucial role in marketing, especially in this cyber age. Payment is the consideration for the delivery of goods and services. It is an ease and security of transaction. Cash, debit card, cheque, gift voucher, etc.

#### Amul: The Taste of India



Amul is definitely an “Amoolya” brand. Amoolya in Sanskrit means something which is invaluable or priceless. With a presence in almost every product which can be made by milk, Amul has won over hearts along with market share to become a highly valued brand with an Indian origin. The reason Amul is such a strong brand is because of the marketing mix of Amul.



### Review Literature

Amul is being one of the most demanded product and today the highest sale of dairy products in Nagpur city in state of Maharashtra. All the major decisions regarding the sale of milk and other related dairy products are taken by the manufacture for the benefit of consumers as per which product satisfies their need. Amul in itself has become a big Brand and maximum of consumers consume to a large extent. The promotional strategies used in Amul are appreciated from the buyers, like Amul girl, the tag line. etc.

According to **Dr. K. Karunakaran**, 1st edition, 2007, "This process has to be conducted within the framework of the rules and regulations made by the Marketing and Sales department. Positive or negative impact of any scheme depends on the promotion made by the company (Amul). Hence it is necessary that Amul should adopt proper marketing policies to reach out the audience in a huge amount.

According to Organization: **Amul – The Taste of India. Amul (2015-05-14)**. Retrieved on 2015-11-29. "Alexander Fraser Laid law. Cooperatives and the Poor. A development study prepared for the International Cooperative Alliance and the Canadian International Development Agency, 1977. The co-operative was initially referred to as Anand Milk Federation Union limited hence the name AMUL."

According to **Amul is now world's 13th largest dairy**, posts 67% revenue growth in FY16, "The world's 13th largest dairy organization and India's largest dairy cooperative, Gujarat Cooperative Milk Marketing Federation (GCMMF), which markets the popular Amul brand of dairy products today said that it has registered a 67 per cent growth in turnover to Rs 23,004 crore during 2015-16.

### Objectives of the Study

1. To analyze the various sales promotion strategies adopted by Amul dairy.
2. To know the factors which affects consumer's buying behavior to purchase the profile Amul Dairy (Milk products).
3. To study the preference of those factors which are considered by the consumer as regards purchase of milk products and other dairy products?
4. To determine the competitors of Amul Dairy products especially Milk products.

### Hypothesis

Based on the mentioned objectives, the following hypothesis has been formulated in this study.

1. **Null Hypothesis:** Promotional Strategies adopted by Amul for dairy products are not useful in promoting the other dairy products in Nagpur city.
2. **Null Hypothesis:** The quality and price is comparatively affordable of Amul Dairy products as that compared to other its competitors.

### Limitations of the study

In spite of immense usefulness, market research has its own limitation which is usually set up by the purpose of problem.

1. The geographical location of the study is limited to Nagpur City only.
2. The primary data will be collected through questionnaire and personal interview from both consumers and Retailers. The elicited information will be completely based on their personal experience.
3. Since the data will be collected from more than one source, there may be slight discrepancies between one source and the other.

### Hypothesis Testing

The one-way ANOVA compares the means between the groups you are interested in and determines whether any of those means are statistically significantly different from each other. Specifically, it tests the null hypothesis:

$$H_0: \mu_1 = \mu_2 = \mu_3.$$

If, however, the one-way ANOVA returns a statistically significant result, we accept the alternative hypothesis ( $H_A$ ), which is that there are at least two group means that are statistically significantly different from each other.

### Hypothesis 1

H0: Promotional Strategies adopted by Amul for dairy products are not useful in promoting the other dairy products in Nagpur city.

OR



H1: Promotional Strategies adopted by Amul for dairy products are useful in promoting the other dairy products in Nagpur city.

To test the above hypothesis, One-Way ANOVA test is applied taking various products of Amul as fixed factor and promotional strategy as dependent variable, where following results were obtained.

How did you come to know about Amul Dairy milk & milk product?								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Milk	96	2.5417	1.08499	.11074	2.3218	2.7615	1.00	4.00
Butter	190	2.7316	1.12525	.08163	2.5705	2.8926	1.00	4.00
Curd	68	3.5294	.92188	.11179	3.3063	3.7526	1.00	4.00
Ice-Cream	88	3.4545	.78651	.08384	3.2879	3.6212	2.00	4.00
Total	442	2.9570	1.09853	.05225	2.8543	3.0597	1.00	4.00

How did you come to know about Amul Dairy milk & milk product?					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	70.280	3	23.427	22.214	.000
Within Groups	461.903	438	1.055		
Total	532.183	441			

**Interpretation**

The above table shows that, the significance value obtained for F-test is 0.00 which is less than the alpha value of 0.05 (F = 22.214, P < 0.05), which states that there is significant association between promotional strategies and promotion other dairy products of Amul. Hence, the hypothesis i.e. Promotional Strategies adopted by Amul for dairy products are not useful in promoting the other dairy products in Nagpur city **is rejected** and alternate hypothesis i.e. Promotional Strategies adopted by Amul for dairy products are useful in promoting the other dairy products in Nagpur city is accepted.

**Hypothesis 2**

The quality and price is comparatively affordable of Amul Dairy products as compared to its competitor's product. To test the above hypothesis, One-Way ANOVA test is applied taking most preferred brand as fixed factor and satisfaction from Quality and Price as dependent variables, where following results were obtained.

		N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
						Lower Bound	Upper Bound		
QUALITY	Amul	92	2.3913	.75530	.07875	2.2349	2.5477	1.00	4.00
	Dinshaws	43	2.0465	.95002	.14488	1.7541	2.3389	1.00	4.00
	Haldirams	24	2.0000	.97802	.19964	1.5870	2.4130	1.00	4.00
	Total	159	2.2390	.86023	.06822	2.1043	2.3737	1.00	4.00
MARGIN	Amul	92	2.6087	.72561	.07565	2.4584	2.7590	1.00	4.00
	Dinshaws	43	2.4884	.79798	.12169	2.2428	2.7340	1.00	4.00
	Haldirams	24	2.2500	.73721	.15048	1.9387	2.5613	1.00	3.00
	Total	159	2.5220	.75336	.05975	2.4040	2.6400	1.00	4.00



Table-5.49 ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
QUALITY	Between Groups	5.098	2	2.549	3.556	.031
	Within Groups	111.820	156	.717		
	Total	116.918	158			
MARGIN	Between Groups	2.516	2	1.258	2.251	.019
	Within Groups	87.157	156	.559		
	Total	89.673	158			

### Interpretation

The above table shows that, the significance value of F test obtained in case of quality and price is less than the alpha value of 0.05 ( $p < 0.05$ ), which states that there is significant association between quality & price of Amul and affordability by consumers. Hence, the hypothesis i.e. The quality and price is comparatively affordable of Amul Dairy products as compared to its competitor's product is accepted.

### Findings

1. Amul milk is having the market share is only 64%.
2. Incomes less than 5000 to 10000 are more attracted to Amul milk. As per the data 79% of the respondent's income is under this group.
3. The main purchasing factors for the Amul milk are Quality and Brand image. The data reveals that 42% influences on Quality and 32% influenced for the brand. Quality plays a very important role as compared to price.
4. 88% of the total respondents are using product since from a long time.
5. Consumers are satisfied with the milk products. Customers are expecting the good service and quality of Amul milk dealers. Competitors are providing good service to the consumer.
6. It is found in the survey that customer are influencing through Word-Of-Mouth.

### Conclusion

From the study conducted it is observed that Amul milk has a good market share. They are as follows:

1. The factors considered by the customer before purchasing milk are freshness, thickness, taste and availability.
2. Finally the researcher concludes that, majority of the customers are satisfied with the Amul milk and milk products because of its good quality, reputation, easy availabilities.
3. Some customers are not satisfied with the Amul milk because of high price, lack of dealer services, spoilage and low shelf life etc. therefore, if slight modification in the marketing programme such as dealers and outlets , promotion programme, product line etc. definitely company can be as a monopoly and strong market leader.
4. Amul has also to take care of its competitors into consideration and more importantly its customers before making any move.

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