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**School for Continuing Education (NGA-SCE)**

**Course: Marketing Strategy**

Amul, the market leader in the Indian milk industry, has pioneered several progressive initiatives and stayed current with consumer trends through continuous product development. A rise in health issues among the urban population in India and increased interest in fitness had led Amul to plan the launch of camel milk in India by the end of 2015.With camel milk being hailed as ―white gold‖ and touted as the latest superfood in Australia and the West, Amul is considering whether to launch the sale of camel milk in India. No company in India has yet tapped into the camel milk market; therefore, Amul would have a head start in this unexplored segment. With product approval from the Food Safety and Standards Association of India still pending, industry observers wondered whether camel milk could be Amul’s next big opportunity after the success of its long- life milk brand, Taaza. Should Amul launch the sale of camel milk in India?

The Indian milk industry

India had been the largest dairy-producing country in the world since 1998, expecting the demand to reach 200 tonnes (t) by 2022. The milk industry was dominated by an unorganized sector of 70 million households producing milk. The per-capita availability of milk in India was 302 grams per day in 2013.With increasing domestic demand, the per-capita availability of milk has reached 336 grams per day by 2017. Urbanization, busy life, nuclear family, Indian eating habits and westernization all have together fuelled the need of milk and its products.

The Gujarat Cooperative Milk Marketing Federation (GCMMF) was a food product– marketing organization based out of Gujarat in west India. It was one of the few Indian companies with a pan-Indian presence. The company marketed almost all of its products under the flagship brand, Amul, and had a large product portfolio in key categories such as dairy and its associated products— butter, ice cream, cheese, cream, yogurt, oils, and fats. The milk category accounted for the largest portion of the company’s revenues.

Marketing Mix of Amul

Amul catered to a large segment of the Indian market with a wide product portfolio, and regularly introduced new products to the market over the years. Amul’s wide product range included milk, bread spreads, cheese, ultra-high temperature (UHT: a processing technique which kills bacteria) milk, a range of beverages, ice cream, paneer (cottage cheese), yogurt, ghee (clarified butter), milk powders, fresh cream, chocolates, and traditional Indian sweets. Amul Butter is as big as INR 200 billion and has a dominant market share. In 2014, Amul Creme Rich was launched in the ice cream category and was positioned as a premium ice cream to compete with Hindustan Unilever’s new launch, Magnum. Other new launches included Amul cheese spread in nine new flavours, and Amul garlic and herbs butter spread.

Amul entered the market with the goal of providing dairy products to consumers at affordable prices at a time when the Indian dairy industry was highly unorganized and lacked a national competitor. Amul had maintained its strategy of providing its products to consumers at reasonable prices, which kept Amul at the top in this competitive markets comprising international brands like Nestle and Mondelez. With a focus on supplying all of India, the Amul built an extensive distribution network with 56 sales offices, 10,000 dealers, and 1 million retailers across the country.29 The Company handled the distribution of its products through self-run retail outlets and third-party retailers. To increase market penetration, the company strengthened its distribution network over the years to extend its reach — even into parts of rural India that were not easily accessible. Apart from brick-and-mortar retailer various online retailers (such as Vishal Mega Mart, BigBasket, and AaramShop) also sold Amul’s products, adding yet another channel for Amul to supply even more consumers.

Amul is identified by its mascot, the polka-dotted Amul Girl. Amul monitored current events and used the Amul Girl in different ways to communicate the company’s interpretations of various subjects.

Major competitors

Mother Dairy: Mother Dairy, a wholly owned subsidiary of the National Dairy Development Board, was established as part of Operation Flood in 1974. It manufactured a wide array of products, including milk, ghee, paneer, ice cream, and other associated products. The company reported a revenue of ₹ 70 billion for 2014/15, which represented an 11 per cent growth over the previous year.

Britannia: With a history of more than 100 years, Britannia was amongst the oldest companies in India. Starting in the baked goods industry, Britannia sold a range of food products through more than 3.5 million retail outlets all over India, and in 2014/15, had revenue of over ₹ 60 billion. The company produced a wide variety of dairy products, including milk, cheese, and flavoured drinks. Profits from the company’s dairy business, which comprised less than 5 per cent of total sales, plummeted 69.5 per cent from ₹ 350 million in 2013, to ₹ 106.7 million by the fiscal year-end in 2014.

Nestle: One of the biggest companies in the world, Nestle had operations in almost all countries. Nestle Dairy started in India in 1961, with a plant in Moga, Punjab, collecting 511 kilograms of milk. In 2015, the company collected over 1.3 million kilograms and produced milk and milk products to supply all of India. Milk and nutrition products, as a category, was the largest contributor to Nestlé’s revenues in India. It accounted for 47.1 per cent of the company’s revenue in 2014.

Consumer Evolution

The Indian milk industry grew by 15 per cent in 2014 to reach ₹ 603 billion.44 Trends showed a switch toward more health-conscious options, largely driven by the growing urban population. Consumers focused more on a protein-rich diet, relying on milk as an easy option. The first effect was a move from traditional loose milk to packaged milk. Consumers in urban India switched to the new UHT and flavoured milk options, while the majority of rural customers moved to packaged milk. UHT was safer and could be stored for longer, hence eliminating the need for regular purchase. While traditional can milk delivered by the local milkman is still common in Tier 2 and Tier 3 cities (cities with populations between 20,000 and 100,000), distribution in the big metro cities veered toward the easily available new UHT and other modern milk products. Flavoured milk saw the fastest growth in the milk category, with a value of 26 per cent in 2014.

Camel Milk

Camel milk, a by-product of camel breeding, was consumed primarily by herdsmen and their families, especially during migration. The average daily yield of a lactating camel was 2.5 to 6 kilograms. The camels were milked twice a day. Camel milk, which was dense white in colour, had a sweet and sharp taste, but could also taste salty. The water content of camel milk fluctuated between 84 to 90 per cent. Changes in taste were attributed to the type of fodder and the availability of drinking water. Factors considered important when rating the quality of camel milk included the age of the animal, the stage of lactation, the quality and quantity of feed, and the amount of water available during animal feeding. The taste of camel milk was drastically different to the taste of full-fat cow’s milk, making it difficult for many consumers to adapt to the taste.

Camel milk was proven to contain three times the amount of vitamin C found in traditional cow’s milk and one and a half times that in human milk. It was also a good source of vitamin B1 and calcium. Lower fat content and the presence of anti-bacterial properties also made camel milk more beneficial than cow’s milk. In addition, camel milk was more similar to human milk than cow’s milk. India was at the risk of becoming the diabetes capital of the world by 2025, with rapid globalization and lack of precautionary measures identified as the leading causes of diabetes in the country. Analysis of camel milk showed that it contained 52 micro units of insulin per millilitre, which was 60 per cent more than the average external insulin required by Type 1 diabetic patients. Camel milk’s natural probiotic properties made it easy to digest, and it could be consumed by lactose-intolerant people. Preliminary evidence had also shown that camel milk was an effective antioxidant.

There was a drastic drop in the camel population in India from 500,000 in 2003, to 300,000 in 2013. If this trend continued, local sourcing of camel milk would prove to be a factor in competitive advantage; hence, the drop in camel population was seen as a problem that needed urgent attention. Yet only a few locations in India had the resources to sustain large herds of camels. As a marketing and brand head of GCMMF, you are planning to launch the camel milk in India. Answer the questions below with respect to the content above and context of India.

1. Draw a 9 matrix (Mckinsey GE) cell to identify and explain the attractive segment which Amul Camel milk should target, drawing inferences from the case.

**Answer 1- Introduction**: GE nine-box matrix is a strategy tool that offers a systematic approach for the multi business enterprises to prioritize their investments among the various business units. It is a framework that evaluates business portfolio and provides further strategic implications.

The GE / McKinsey matrix is similar to the BCG growth-share matrix in that it maps strategic business units on a grid of the industry and the SBU's position in the industry. The GE matrix however, attempts

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**2. Identify a strong brand positioning for Amul’s camel milk that can increase its resonance with the consumers.**

**Answer 2- Introduction:** Brand positioning is defined as the conceptual place you want to own in the target consumer's mind — the benefits you want them to think of when they think of your brand. An effective brand positioning strategy will maximize customer relevancy and competitive distinctiveness, in maximizing brand value.

**Concept and Application:**Amul catered to a large segment of the Indian market with a wide product portfolio,and regularly introduced new products to the market over the years. Amul’s wide product range included milk, bread spreads, cheese, ultra-high temperature (UHT: a processing technique

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3. ―Though the product, Camel milk is pioneering in India but milk as a category is very much a matured product with AMUL being a market leader. Strategies for the camel milk be it traditional or online, needs to be crafted for a WOW experience.

a. Design traditional strategies to comprehend the sentence.

b. Design Marketing 4.0 strategies to comprehend the sentence

**Answer 3(a)- Introduction:** Camel milk, a by-product of camel breeding, was consumed primarily by herdsmen and their families, especially during migration. The average daily yield of a lactating camel was 2.5 to 6 kilograms. Camel milk, which was dense white in colour, had a sweet and sharp taste, but could also taste salty. The water content of camel milk fluctuated between 84 to 90 per cent.

**Concept and Appications:** Amul became Its sample only

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