



Amul's Lockdown Marketing Strategy

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ABSTRACT

Mr. Michael Fernandes, creative man behind the Amul's Butter Girl, was deep into thoughts. They just had a video conference meet with the other creative team to discuss on the upcoming strategy for promotion of Amul. The entire creative team had to meet virtually on account of the strict lockdown in the country due to the fast - spreading Covid 19 pandemic. Blue haired Amul butter girl had an enduring place on the billboards and on the hearts of the Indians. The Indians loved the Butter girl very much.

Dr. Merian, Managing Director of Gujarat Cooperative Milk Marketing Federation (GCMMF) said that due to the current lockdown situation people would not be able to come on the streets looking at the billboards relishing the Amul advertisements for at least three months now. Or maybe more. At the same time ban on newspaper distribution would prevent the advertisements to reach homes of the Indian buyers. The major promotional media for Amul, billboards and newspapers would be useless during this lockdown period. This had set Michael worrying. He was just not getting a way out. How should he reach the minds of the Indians without Amul Butter girl advertisements on the billboard and in newspapers? How should he promote Amul brand during this lockdown condition?

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A BRIEF HISTORY OF AMUL

Over the years, Amul, one of the most beloved brands of our country, had become the taste of India, just as its tagline claimed. Every Indian had grown up listening to the jingles of its many dairy products, and the Amul girl, the brand's mascot in the polka-dotted dress, had become a nostalgia-evoking symbol. Amul had truly come a long way since its founding in 1946. Exhibit 1 displays the Amul's Story.

The beginning:

Amul was formed as a part of a cooperative movement in Anand, Gujarat, which procured milk from local farmers of Kaira District and sold it to the then Bombay government. Everyone except the farmers benefited from this trade. The farmers took their plea to Sardar Patel, who had advocated farmers' cooperative movement since 1942. The result was the formation of the Kaira District Co-operative Milk Producers' Union Limited in Anand. The union started pasteurising milk produced by a handful of farmers for the Bombay Milk Scheme and grew to 432 farmers by the end of 1948. The rapid growth led to problems including excess production that the Bombay Milk Scheme couldn't accommodate. To solve this issue, a plant was set up to process all that extra milk into products such as milk powder and butter.

Amul was born:

The late Dr Verghese Kurien, rightly called the Milkman of India, was Amul's true architect. His journey at Amul began in 1949 when he arrived in Anand as a government employee to manage a dairy. He went from helping farmers repair machinery to revolutionising India's dairy industry with the White Revolution (or Operation Flood), the largest dairy development programme in the world. The new dairy with the milk processing plant was ready for operation in October 1955, the year that also saw a breakthrough in dairy technology—processing of buffalo milk to make products for the first time in the world. The word 'Amul', derived from 'Amulya', which means 'precious' or 'priceless' in Sanskrit, was used to market the range of milk products developed by the Kaira Union. It was also an acronym for Anand Milk Union Ltd. Dr Kurien wanted to offer small-scale dairy farmers quality-control units and centralised marketing, which were missing at that time in the dairy economy. Thus, the Gujarat Cooperative Milk Marketing Federation (GCMMF) was created in 1973 to market milk and all milk products produced by six district cooperative unions in Gujarat. GCMMF became the largest exporter of dairy products in India and Amul was the umbrella brand for all of its products. Amul brand earned recognition all over the

world when GCMMF introduced it on the Global Dairy Trade (GDT) platform. Only six other top dairy players across the world sold their products globally. Exhibit 2 displays the Products of Amul.

Amul's vision:

Amul's vision was to provide more and more satisfaction to the farmers, their customers, employees and distributor.

Amul's mission:

Amul's mission was, “We the motivated and dedicated workforce at Amul are committed to produce wholesome and safe foods of excellent quality to remain market leader through development of quality management system, state of art technology, innovation and eco-friendly operations to achieve delightment of customers and milk producers.”

AMUL'S SEGMENTATION, TARGETING, POSITIONING STRATEGY

The segmentation of Amul was the mass population and in general, one will find people of all different age groups and demography enjoying Amul products. Milk, butter, cheese and ice cream gained popularity.

As it had a very deep product portfolio (Exhibit 2), it did not differentiate in its customers but used a mass marketing principle. And till date, this principle had worked very well for the marketing strategy of Amul. The target audience were the regular middle-class people.

In terms of positioning, Amul had top of the mind positioning because it was the first brand which comes in mind when talking of Ice cream, milk, cheese, butter or any other milk-based products.

More than a mere slogan:

Amul's famous slogan, which was now a part of its logo, was created in 1994 by Shri Kanon Krishna of a Mumbai-based advertising agency called Advertising and Sales Promotion (ASP). According to Amul, the *Taste of India* slogan was more than just corporate positioning or advertising jargon. This slogan gave meaning to the brand's never-ending commitment to taking quality food and products to the rural man, which he otherwise couldn't have afforded.

The Butter Girl:

Amul did not always have the round-eyed moppet as its mascot. The Butter Girl was born in 1966 when Sylvester daCunha, the then MD of the advertising agency handling Amul butter's account, created her for Amul's campaign. It was a pleasant change from the dull, corporate ads that the previous agency had come up with. Being a seasoned marketer himself, Dr Kurien gave daCunha complete creative freedom to create and release the ads without taking the company's permission. Till today the Utterly Butterly Girl still won hearts wherever she is, whether on a billboard or on the packet of butter. Various campaigns like Sign up for Newsletters, check out our popular newsletters and subscribe Amul were started by Amul. The name was now a household

term that was here to stay, and the chubby-cheeked Amul girl continued to cast a spell on the public.

MARKETING MIX OF AMUL

Amul was definitely an “Amoolya” brand. Amoolya in Sanskrit means something which was invaluable or priceless. With a presence in almost every product which can be made by milk, Amul had won over hearts along with market share to become a highly valued brand with an Indian origin. Amul was formed because of a revolt of dairy farmers. Today, Amul had a strong brand even amongst the competitors. The reason Amul was such a popular brand was because of the marketing mix of Amul.

In depth analysis of the Marketing mix of Amul.

Product in the marketing mix of Amul

Amul had a very strong product portfolio (Exhibit 2). Amul product portfolio was comprised mainly of Dairy products. Amul butter, Amul cheese and Amul ice cream were cash cows for Amul as they have the major market share in their product category. Amul ice cream was amongst the top 10 ice cream brands of India.

Amul milk, Amul Paneer and Amul Dahi consumption was on the rise. In fact, Amul milk had 26% of market share in the packaged milk segment. The only disappointing performance was seen in Amul Chocolates which were a burden for Amul and lot of push was required for the sales of the same. This was mainly because the chocolate market had established players like Parle, Dairy milk and others.

The Amul family tree had the following brands – Amul Milk, Amul bread spreads, Amul Cheese, Amul Milk, Amul kool and its variants, Amul pro, Amul ice cream, Amul Paneer, Amul Dahi, Amul Ghee, Amul Milk powders, Amul Nutramul, Amul mithai range, Amul mithai mate, Amul chocolates, Amul butter milk. Thus, Amul had a very vast range of product portfolio. Amul has various competitors based on different products. In ice cream it is Vadilal, Dinshaws and Havmor. In butter and milk there is Mother Dairy, Britannia and others. However, no competitor has such a vast dairy based product portfolio as Amul. This is the major reason that Amul has a sustainable competitive advantage over its competitors.

PRICE IN THE MARKETING MIX OF AMUL

Amul had a strategy of low cost pricing. Penetrative pricing strategy was used when the market had a high level of competition and a player wanted to establish itself in the market by giving low prices. However, in the case of Amul, when Amul started, there were no national players and the dairy market was unorganized. During the introduction stage itself, Amul had a vision to provide their products to end customers at the best affordable rates. The same vision was in place even today. Today also, one will find that Amul butter, milk and cheese were available at affordable prices keeping in mind the end customers.

PLACE IN THE MARKETING MIX OF AMUL

Amul has a massive distribution network because of which its ice creams, milk, butter and cheese was found practically everywhere. As it was a FMCG product, Amul follows the methodology of breaking the bulk. The initial factory output was transported in bulk packages. Later on this bulk packages became smaller and finally one individual slab of butter or scoop of ice cream was sold at the retail place.

Amul products were distributed mainly through two channels. One was the procurement channel which is responsible for collection of Milk through dairy co-operatives. The other was the distribution channel which is responsible for distributing the finalized product to the end customers.

In the procurement channel, the milk was individually delivered from farmers to the co-operatives. The co-operatives then collected all this milk and send the bulk to the manufacturing facility. At the manufacturing facility, the milk was used to manufacture the finalised products.

In the distribution channel, there were carrying and forwarding agents, distributors, dealers and retailers involved. There were also Amul shoppe's which sell all products in the Amul product portfolio. The distribution is as follows.

Amul >> Carrying and forwarding agent >> Distributor >> Dealer / Retailer / Amul Shoppe >> Customer

Amul >> Modern retail

Thus, there was a lot of transportation involved for all of Amul's products. However, the distribution channel of Amul ensures that the products reach every nook and corner of India.

PROMOTIONS IN THE MARKETING MIX OF AMUL

Amul was responsible for one of the most unique and longest running outdoor campaign as well as one of the most known outdoor advertising characters – The Amul girl. Mr Eustace Fernandes, was the creative brain behind the sweet girl. The Amul girl is sweet and cute, she was also known to be the naughtiest advertising girl ever. Amul hoardings mainly featured the current news and were used to take a tongue in cheek viewpoint at current happenings. However, each advertisement hits the nail on the head.

The promotions of Amul were mainly for butter but for all the other products there was hardly any promotions. During the launch of products, Amul was known to go ATL and advertise milk, butter etc. The Smita Patil ad wherein Smita Patil was shown as a village milk collector was one of the most famous ads for Amul. But overall, the main advertisement was BTL through outdoor, trade promotions, discount schemes and sales promotions.

The major reason for Amul's absence in hardcore advertising was that Amul did not want to give away margins in advertising its products. As per Amul, their maximum budget for advertising was 1% of the turnover. The major reason for Amul's strong presence in the market was its excellent quality combined with the affordable price. Thus, overall promotions

will always be low for Amul except for the outdoor advertising of Amul butter.

Popular Advertisements of Amul:

Some of the popular Amul Billboard Advertisements are shown in Exhibit 3.

The main dilemma: Promotion during Lockdown in the COVID 19 crisis situation

The moppet Amul Butter girl had put Amul on India's breakfast table. When it was first launched, Amul's sale figures had jumped from 1000 tonnes a year in 1966 to over 25,000 tonnes a year in 1997. The demand was growing rapidly ever since. No other brand came even close to it. One of the reasons was a thumb-sized girl climbed on to the hoardings and put a spell on the masses. Amul ads, relating to day-to-day issues, were popular. These advertisements earned a Guinness world record for the longest running ad campaign in the world. In this lockdown situation, however, people were restricted to their homes, newspapers were banned. There was no use to put up billboard or newspaper advertisements of the Amul Butter Girl to help people recall the brand. Like most of the people and organizations were going virtual and operating in the virtual space, this could be a new place where Amul could place the advertisements and still remain relevant and firm in the minds of the India consumer. However, will Amul advertisements on social sites work? Will such advertisements cost more and affect the pricing of the product? Will the consumer recall the brand on watching the advertisements on social media? Other option was to introduced retro advertisements of Amul and sponsor the re-telecast of Ramayana and Mahabharata. During the lockdown period viewers had requested in large numbers to re-telecast some blockbuster serials on the National Doordarshan channel. On the request of masses many serials like Ramayana, Mahabharat, Byomkesh Bakshi, to name a few were re-telecast on the National Doordarshan Channel. These serials had a major viewership. During the lockdown period the TRP ratings of Ramayana and Mahabharata were the highest. Releasing retro advertisements of Amul for sponsoring Ramayana and Mahabharata would help the brand reach the masses. Michael had many such questions which were still untested, unanswered and needed urgent attention. The lockdown situations posed various changes. It was very important for a brand like Amul to keep itself relevant and in the minds of the people even in this tough situation. What should Michael's strategy for promoting Amul's products? How should Amul make the advertising strategy still relevant in the lockdown period?

Assignment Questions:

1. Discuss 4Ps of Marketing mix of Amul.
2. How Amul engages the heart and minds of consumer in a process that differentiates similar competitor products?

“Amul's Lockdown Marketing Strategy”

3. Define Amul Brand. Which are key components of Amul brand?
4. Describe Amul Brand Personality
5. What is Amul's current brand positioning and brand promise?
6. Discuss success factors of Amul's unique advertising campaign (one of the longest running campaigns) How Amul's advertisements were different than competitor's advertisements.
7. What is social impact of Amul's brand communication?
8. Has Amul's Integrated marketing communication influenced consumer's purchase decisions?
9. Design few advertisements of Amul which Amul can use during lockdown and in future?
10. Design a promotional strategy for Amul during the lockdown period.
11. Was it Amul's right decision to release retro advertisements now? Discuss its benefits and disadvantages.
12. How would you consider the decision of displaying Amul advertisements on social media sites? Discuss the advantages and disadvantages.

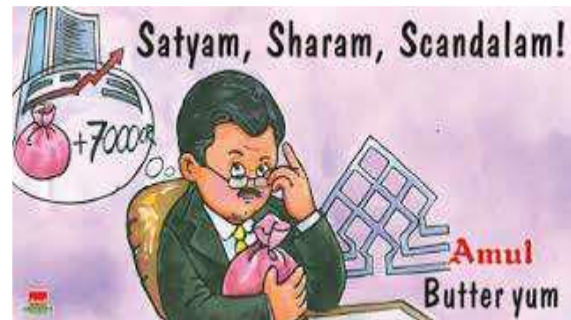
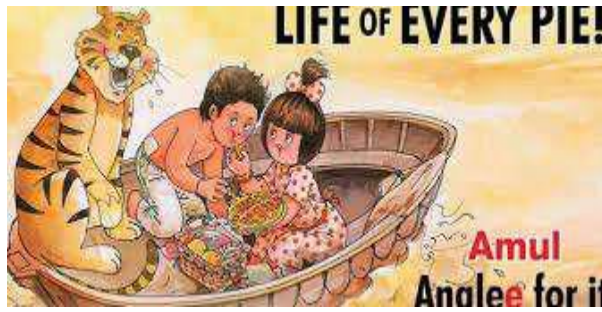
Exhibit 1: Amul's story



Exhibit 2: Products of Amul



Exhibit 3: Popular Advertisements of Amul



Read more at:

1. <https://yourstory.com/2016/09/the-story-behind-amul>
2. <http://www.amuldairy.com/index.php/about-us/history>
3. <https://www.marketing91.com/marketing-mix-of-amul/>
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