

## A STUDY ON IMPACT OF BRAND BUILDING - THE WAY TO ESTABLISH BRAND EQUITY WITH SPECIAL REFERENCE TO AMUL DAIRY PRODUCTS

RAJALAKSHMI ANANTHARAMAN

Lecturer SIES (NERUL) College of Arts Science And Commerce, Navimumbai, Maharashtra

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### Abstract

A company lifecycle has four stages namely Start-up/Creation stage, Growth stage: Maturity stage and Recession/Decline stage. Out of these four stages stage one i.e. Start up/Creation stage is very important this is the stage where the business is not generating revenue but trying to establish its brand in the market and tries to attract a stable set of investors. Establishment of brand is not an easy task marketers need to have a strong brand building strategy to achieve brand image will in turn emerges to create brand equity not only in the first stage Brand building is a continuous process which is essential to retain its existing brand.

This study throw lights on significance of brand building for achieving brand equity by taking a case study on Amul dairy products.

**Key words:** Brand , Brand Image, Brand equity, Brand building

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### INTRODUCTION

In today's modern era Competition is cut throat, survival in the market itself is a difficult task. To create a brand image and lasting for long only few companies can manage to do it. To sustain in the market branding plays an important role. Branding consists of the name, symbol, term, sign, design, or any combination of these that identify the goods and services of a company and differentiate from another companies. Branding is the visual voice of a company. Companies should really be consistent in all forms of media to have a solid, recognizable voice. Any visual representation of a company should in some way convey the branding of their company. This goes much further than a trademark or a logo. It is a continuous message, image or feeling that carries through everything that comes from a company.

Brand building is not an easy task. To build brand image lots of factors need to be taken into consideration for example to build a brand Companies must determine what they are trying to convey and to whom it is intended. It may be a lifestyle, emotion or status. The key is to check everything against the message of the brand. This allows a lot of freedom in design styles as long as it supports the message of the brand. The goal is to differentiate and to create a unique brand. The challenge is to hold that together in a unifying voice.

This paper throws light through a case study on AMUL the brand that established and to what extent retention of the brand is important.

### RESEARCH METHODOLOGY

This study is based on secondary data. The analyses of the case study is based on various data collected from websites, books news publications .Based on the data available the researcher has identified the important areas for building brand equity.

The objectives of the study are

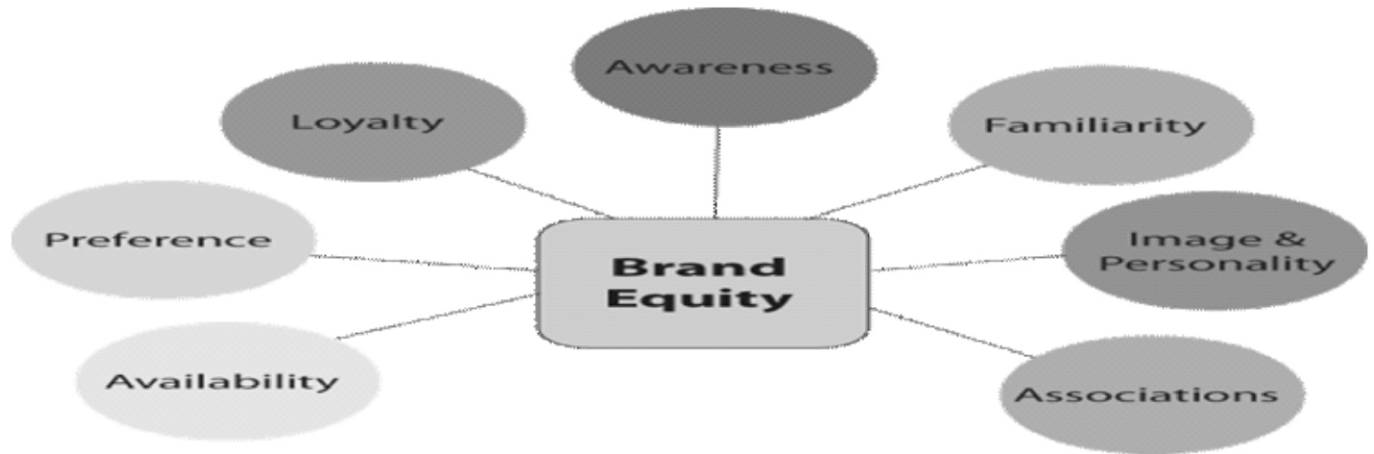
- To understand Brand and its related concepts.
- To know the important factors for creating Brand equity
- A case study to explain the factors needed to build a brand and its success story.

Brand as defined in American Marketing Association - as a "Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers."

There are various terms associated with branding such as brand image, brand equity,

Brand image: is the current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers' perception about the product. Brand image is the cause for brand equity

Brand Equity: Brand Equity is the value and strength of the Brand that decides its worth. It can also be defined as the differential impact of brand knowledge on consumer's response to



Brand Marketing. i.e. Consumers are ready to spend extra money to buy the product. Brand equity is the outcome or effect of brand image.

Brand image and brand equity can be achieved only through proper brand building techniques.

Brand building: Efforts to gain consumer confidence in brand the establishment and improvement of a brand's identity, including giving the brand a set of values that the consumer wants, recognizes, identifies with, and trusts. Values developed in the process of brand building include psychological, physical, and functional properties that consumer's desire and should always identify a property that is unique to that brand. It's developing a brand's image and standing with a view to creating long term benefits for brand awareness and brand value.

Various factors are important to build a brand value. This is explained with a case study of Amul Co-operative Society

**An Introduction to AMUL**

The journey of Amul started in December 1946 with a group of farmers keen to free themselves from intermediaries, gain access to markets and thereby ensure maximum returns for their efforts.

Based in the village of Anand, the Kaira District Milk Cooperative Union (better known as Amul) expanded exponentially. It joined hands with other milk cooperatives, and the Gujarat network now covers 2.12 million farmers, 10,411 village level milk collection centers and fourteen district level plants (unions) under the overall supervision of GCMME.

Amul established as a brand Amul "priceless" in Hindi. The brand name "Amul," from the Sanskrit "Amulya,"

(meaning Priceless) was suggested by a quality control expert in Anand.), formed in 1946, is a dairy cooperative in India. It is a brand name managed by an apex cooperative organisation, Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which today is jointly owned by some 3.03 million milk producers in Gujarat, India.

Amul is based in Anand, Gujarat and has been an example of a co-operative organization's success in the long term. "Anyone who has seen ... the dairy cooperatives in the state of Gujarat, especially the highly successful one known as AMUL, will naturally wonder what combination of influences and incentives is needed to multiply such a model a thousand times over in developing regions everywhere. The Amul Pattern has established itself as a uniquely appropriate model for rural development. Amul has spurred the White Revolution of India, which has made India the largest producer of milk and milk products in the world. It is also the world's biggest vegetarian cheese brand.

Amul is the largest food brand in India and world's Largest Pouched Milk Brand with an annual turnover of US \$2.2 billion (2010-11). Currently Unions making up GCMMF have 3.1 million producer members with milk collection average of 9.10 million liters per day. Besides India, Amul has entered overseas markets such as Mauritius, UAE, USA, Oman, Bangladesh, Australia, China, Singapore, Hong Kong and a few South African countries. Its bid to enter Japanese market in 1994 did not succeed, but now it has fresh plans entering the Japanese markets. Other potential markets being considered include Sri Lanka.

**AMUL BRAND BUILDING STRATEGY**

1. Quality

2. Supply Chain Management
3. Mascot & Taglines
4. Advertising Strategy
5. Umbrella Branding
6. Social Responsibility



**(I) QUALITY:** Quality is a vital ingredient of a good brand. Remember the "core benefits" - the things consumers expect. These must be delivered well, consistently.

**Quality management System Initiatives by AMUL**

- Total quality Management initiative was started in the year 1994 to create a culture of transparency, openness and leadership in the organization. Realizing that with emerging competition, doing business would become more exciting yet extremely competitive which would require at time not only a whole set of new skills and competencies but quick adaptability to change without much stress or turbulence. As a very unique measure Amul extended all the TQM initiatives to its business partners whether it was the farmer producer in the village or a wholesale distributor in a metro town or its most sophisticated production unit. From the strength of Total Quality Management initiative Amul went on to implement Quality Management System of International Standard. Amul has been the first dairy in India to get accredited with

certification of ISO 2200:2005 & ISO 9001 for its operations and plants.

- Amul Plants are certified by Agricultural and Processed Food Exports Development Authority (APEDA) for export of dairy products to international markets. Gujarat Co-operative Milk Marketing Federation (GCMMF) which markets and exports dairy products under the brand of "Amul" has bagged award 11th time for excellent performance in exports of dairy products from APEDA - 2008-09, IMC Ramkrishna Bajaj National Quality Award - 2003, "Best of All" Rajiv Gandhi National Quality Award - 1999.
- The plants are also periodically audited for Hygiene and Quality Management Systems by various agencies like Export Inspection Agency (EIA), Armed Forces, various Indian Statutory Bodies, International statutory Bodies and Quality Management Agencies.
- Food Safety Policy  
 AMUL, are committed to produce safe and wholesome food to continually remain as the market leader by providing food products delighting customer expectations and bestow safety. They strive to achieve this by:
  - **Improving raw milk quality:** Through Innovative technology Amul manufactures food products in an eco-friendly environment at the same time it also adhere to statutory and regulatory requirements.
  - **Bulk Milk Chillers :** As a part of Amul's quality movement Bulk Milk chillers are introduced at primary village co-operative society level. This system has drastically improved the microbiological quality of milk, therefore better return to farmers and good quality of products to consumers. Special trainings are imparted to dairy co-operative personnel for better management of Bulk Milk Chillers.
  - **Road Milk Tankers:** The chilled milk of the co-operative societies are transported to Amul Dairy Plant through road milk tankers once in a day. These milk tankers are insulated to safeguard the quality of milk. A tanker carries three to four societies' milk together which helps in achieving economy in transportation of milk. These tankers are thoroughly cleaned at every unloading of milk at Dairy Plant and certified for its hygiene for transportation of milk by QC personnel. This system has almost wiped out any possibility of

spoilage to milk. Chilling milk at grass root level and transportation of the same in road milk tankers have reduced microbial load in raw milk which in turn has reduced processing costs in terms of energy, thereby better return to farmer producers.

- Geo-remote sensing based vehicle tracking system has been put in use for efficient handling of Road Milk Tankers carrying milk to Dairy Plant.

Amul Research and Development Association is a centre of excellence in the field of research and development of cattle breeding and animal health care. This Centre is recognized as a Scientific & Industrial Research Organization by the Department of Scientific & Industrial Research, Ministry of Science & Technology, and Government of India. It provides quality semen for artificial insemination program; impart training to inseminators, prevention and control of diseases.

- **Animal Disease Diagnostic Laboratory:** The mobile and immobile laboratories have contributed to clean milk production drive in routine and emergencies especially in cases of plant or chemical poisoning and diseases claiming sudden death of animals; prompt and accurate diagnosis of the disease to keep the livestock in sound health, taking adequate preventive measures to avert major outbreak of diseases by diagnosing the disease at an early stage; planning for appropriate feeding strategy with the help of complete analysis of metabolic profile of the animal; improving infertility by timely remedial measures; timely detection of sub clinical cases of mastitis and control the incidences; assessing efficacy of vaccination could be determined by detection vaccination titers.
- **Animal Nutrition :** Amul's focus on balanced cattle feed supplies to its dairy farmers has helped in better productivity and cattle's free from problems associated with malnutrition. This has been possible due to its state-of-art cattle field plant which produces more than 1100 Tons of cattle feed daily. It has future plan to expand its present manufacturing capacity. Amul also helps in development of green fodder.

#### **Introduction of New Analytical Methods:**

The BactoScan method - The BactoScan FC is designed for fully-automatic, rapid and reliable determination of the hygienic quality of raw milk. This is done by counting the

total number of Individual BactoScan Counts (IBC) in a milk sample (flowcytometry). The results are used for screening hygiene status at the farm level. This is also used to monitor incoming raw milk to avoid contamination. In order to avoid interference from other particles, such as fat globules, protein micelles and somatic cells, the sample is subjected to chemical treatment in order to destroy these particles and also to break up the clusters of bacteria. Introduction of BactoScan has shown drastic improvement in hygienic milk quality. This has improved further the returns to the hands of dairy farmers.

- **Quality of life:**

Assured market for their milk and daily income round the year from milk has improved the quality of life of farmers. The role village dairy co-operative societies in the over all development of the villages have brought better social infrastructures in the villages such as roads, communication system, schools health centers, water facilities, banks etc.

#### **(II) SUPPLY CHAIN MANAGEMENT:**

Amul has strong Supply chain Mgt .it is one of their key factor in brand building. Amul products are available in over 500,000 retail outlets across India through its network of over 3,500 distributors. There are 47 depots with dry and cold warehouses to buffer inventory of the entire range of products.

GCMMF (Gujarat Cooperative Milk Marketing Federation) transacts on an advance demand draft basis from its wholesale dealers instead of the cheque system adopted by other major FMCG companies. This practice is consistent with GCMMF's philosophy of maintaining cash transactions throughout the supply chain and it also minimizes dumping.

Wholesale dealers carry inventory that is just adequate to take care of the transit time from the branch warehouse to their premises. This just-in-time inventory strategy improves dealers' return on investment (ROI). All GCMMF branches engage in route scheduling and have dedicated vehicle operations.

#### **(III) MASCOT & TAGLINES:**

A tagline is a variant of a branding slogan typically used in marketing materials and advertising. The idea behind the concept is to create a memorable phrase that will sum up the tone and premise of a brand or product (like a film), or to

reinforce the audience's memory of a product. Some taglines are successful enough to warrant inclusion in popular culture.

The term mascot - defined as a term for any person, animal, or object thought to bring luck colloquially (informally) includes anything used to represent a group with a common public identity, such as a school, professional sports team, society, military unit, or brand name.

The Amul mascot, a cute and chubby girl usually dressed in a polka dot dress, is universally recognizable in India. and the tagline, 'Utterly Butterly Delicious Amul' is just as catchy. Together, these two elements are a fantastic combination of brand elements for Amul. And get this, the Amul mascot has been the same since its inception in 1967. That's almost 45 years ago. But the Amul girl is still as relevant as ever.

Amul official tag line was Utterly Butterly Delicious Amul' then slowly through advertisement s they changed the Base line for all the products as Amul - The Taste of India .As these tag lines represents healthy aspects with all nutrients and taste also it became very popular and helped to develop brand image.

#### **(IV) ADVERTISING STRATEGY:**

Use of cartoon in advertising campaign attracted young kids, it gives youth, fresh, healthy feeling in the minds of the viewer, .Amul ads are unique in nature and its their USP. .The slogan has always been 'Utterly Butterly delicious'. What is it about the Amul ad that has kept the viewers wanting more? The biggest success seems to be like that of the Common Man, no particular time or period could have frozen this character. It does not belong to an era. It has moved along with time reacting to the new events through time. The pictures, designs concepts are different every ad is attached with some msgs. For Eg At the time of frequent reshuffle of Cabinets Amul had come up with a new advertisement saying that " Reshuffle cabinets never fridges" and tagged Amul-Never replaced.

When the world experience the Satyam scam Amul had come up with a picture of scamster titled " Satyam ,Sharam, Scandalam! Tagging as Amul Butter yum . Another interesting advertisement was when Mr. Anna Hazare went for fast on lokpal bill issue. In this advertisement Amul Mascot was depicted like Anna Hazare The advertisement titled " Happy Anna-dependence day!" and

the tag line was Amul-The Lokpriya Butter

As one can see all the advertisement is unique and has some some issue highlighted keeping in the mascot in almost all the ads and Brand name Amul.

#### **(V) UMBRELLA BRANDING:**

An umbrella brand is an overarching brand used across multiple related products. Umbrella branding is also known as family branding. It contrasts with individual product branding, in which each product in a portfolio is given a unique brand name and identity.

There are often economies of scope associated with umbrella branding since multiple products can be efficiently promoted with a single advertisement or campaign. Umbrella branding facilitates new product introductions by providing a familiar brand name, which can lead to trial purchase, product acceptance, or other advantages.

Umbrella branding may impose on the brand owner a greater burden to maintain consistent quality. If the quality of one product in the brand family is compromised, it could impact on the reputation of all the others. For this reason umbrella branding is generally limited to product lines that consist of products of similar quality.

A good example is AMUL - Amul Butter, Amul Cheese, Amul Milk, Amul Icecream, Amul Chocolates etc.

The AMUL network follows an umbrella branding strategy. Amul is the common brand for most product categories produced by various unions: liquid milk, milk powders, butter, ghee, cheese, cocoa products, sweets, ice-cream and condensed milk. Amul's sub-brands include variants such as Amulspray, Amulspree, Amulya and Nutramul. The edible oil products are grouped around Dhara and Lokdhara, mineral water is sold under the Jal Dhara brand while fruit drinks bear the Safal name. By insisting on an umbrella brand, GCMMF not only skillfully avoided inter-union conflicts but also created an opportunity for the union members to cooperate in developing products.

Although many companies do not adopt umbrella branding as it is a risky affair. Amul achieved sustainable growth with this umbrella branding as always their maintain quality they could retain to their brand equity.

#### **(VI) SOCIAL RESPONSIBILITY :**

- Amul work through co-operatives: As it is a co-operative organisation there main aim is consumer

protection. Consumers are protected with intermediaries, charging high prices.

- Quality Products: It produces quality products such as liquid milk, milk powders, butter, ghee, cheese, cocoa products, sweets, ice-cream and condensed milk. Amul's sub-brands include variants such as Amulspray, Amulspree, Amulya and Nutramul. Etc which are good to human consumption.
- Rural Employment Opportunity: This small effort of the people has developed into world's largest cooperative. Amul is world's largest dairy processing highest milk. It has generated employment for the farmers and villages and changed their life. Amul pattern which was replicated later on has become success story of development and growth in rural India. It has generated millions of jobs in villages.
- Tree Plantation: Milk Producer members of Gujarat Dairy Cooperatives- better known as AMUL have been celebrating the nation's Independence Day in a novel manner by planting lakhs of saplings across Gujarat and have taken up an ambitious plan to save the environment by planting trees, making India green and thereby reducing the effects of global warming. The milk producers of Gujarat Dairy Cooperatives are conducting mass tree plantation drive every year on Independence Day for last five years. In last five years (2007 to 2011) the milk producers have planted around 311.98 lakhs trees).

#### **Amul's success story**

The system succeeded mainly because it provides an assured market at remunerative prices for producers' milk besides acting as a channel to market the production enhancement package. What's more, it does not disturb the agro-system of the farmers. It also enables the consumer an access to high quality milk and milk products. Contrary to the traditional system, when the profit of the business was cornered by the middlemen, the system ensured that the profit goes to the participants for their socio-economic upliftment and common good.

Looking back on the path traversed by Amul, the following features make it a pattern and model for emulation elsewhere.

#### **Amul has been able to:**

- Produce an appropriate blend of the policy makers

farmers board of management and the professionals: each group appreciating its roles and limitations

- Bring at the command of the rural milk producers the best of the technology and harness its fruit for betterment
- Provide a support system to the milk producers without disturbing their agro-economic systems
- Plough back the profits, by prudent use of men, material and machines, in the rural sector for the common good and betterment of the member producers and
- Even though, growing with time and on scale, it has remained with the smallest producer members. In that sense, Amul is an example par excellence, of an intervention for rural change. The Union looks after policy formulation, processing and marketing of milk, provision of technical inputs to enhance milk yield of animals, the artificial insemination service, veterinary care, better feeds and the like - all through the village societies.

#### **CONCLUSION:**

The success of Amul Model is mainly because of integrating all the elements of marketing mix and taking into consideration the factors for effective brand building. Thus one can conclude that success of Brand or creating brand equity needs good brand building Strategies.

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