

# Chapter 52

## Branding and Brand Management: Case of Amul

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### ABSTRACT

*In the appearance of globalization and liberalization, both brand and branding have become essential parts of every competitive business firm. To become part of the competitive and ever-changing business world and to maintain the existing business image, business organizations have been continuously focusing upon introducing innovative branding practices and strategies. This chapter focuses on brand and branding strategies of Indian brand name dairy cooperative, AMUL, in western India (Gujarat Cooperative Milk Marketing Federation [GCMMF]), which has developed a successful model for doing business in the large, emerging Indian economy. Amul has been primarily accountable, through its inventive practices, and adaptive to market changes, for India's becoming the world's largest producer of milk. This chapter draws various lessons from the experiences of AMUL that would be useful to business organizations globally.*

### ORGANIZATION BACKGROUND

Amul (Anand Milk-producers Union Limited), formed on December 14, 1946, is a dairy cooperative organization of India. The brand name Amul, has been originated from the Sanskrit word *Amoolya*, it means *priceless*. It is a brand name managed by cooperative organisation, Gujarat Co-operative Milk Marketing Federation Ltd. (GCMMF), which today is jointly owned by some 2.41 million milk producers in Gujarat, India. It is situated in Anand town of Gujarat and has been a true example of a co-operative business organization's success. The Amul Pattern has established itself as a completely suitable model for rural expansion and growth. Amul has promoted the White Revolution of India, which has contributed in making India the largest producer of milk and milk products in the world. Gujarat Cooperative Milk Marketing Federation (GCMMF) is India's leading food goods marketing organisation. In state

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of Gujarat Amul is a state level head body of milk cooperatives which aim to endow with remunerative returns to the farmers and also gratify the interests of customers by continuously providing quality products according to varying needs of customers also by providing good value for money. Amul's product range consist of milk, milk powders, ghee, butter, cheese, curd, chocolate, ice cream, cream, shrikhand, paneer, gulab jamuns, basundi, Nutramul brand, and others.

The Kaira District Cooperative Milk Producers' Union Limited was established as a response to utilization of marginal milk producers in the city of Anand (in Kaira district of the western state of Gujarat in India) by traders or manager of existing dairies. Producers of milk had to travel long distances for delivery of milk to the only dairy, named as the Polson Dairy in Anand – frequently milk went sour, particularly in the summer time, as producers had to physically carry milk in containers individually. In winter, the producer was either left with excess of unsold milk or had to sell it at very low prices. Moreover, the government at that time had given particular monopoly rights to Polson Dairy (during that time Polson was the well known butter brand in the country) to collect milk from Anand and was supplied to Bombay city in turn (about 400 kilometers away). India ranked nowhere amongst milk producing countries in the world by the end of year 1946 (Akoorie & J.Scott (1999)).

The manufacturer of Kaira district took guidance of the nationalist leaders, Sardar Vallabhbhai Patel (first Home Minister of free India) and Morarji Desai (Prime Minister of India). They guided the farmers to form a cooperative firm and supply milk directly to the Bombay Milk Scheme instead of selling it to Polson (who did the same but offer low prices to the milk producers). As a result of this the Kaira District Cooperative was established to collect and to process the milk in the district of Kaira. The new milk plant had the potential to pasteurize 300,000 pounds of milk per day, and manufacture 10,000 pounds of butter per day, also 12,500 pounds of milk powder per day and 1,200 pounds of casein per day. With the help of R&D and technology development at the Cooperatives had led to the success of production of skimmed milk powder from buffalo milk. This gave birth to a modern dairy industry in India.

*Figure 1. Amul starting point*



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