


Chapter 8

The ICT Adoption in AMUL: An Easy, Innovative, Self-Sustainable Approach for Rural Regions

Pranav D. Desai

 <https://orcid.org/0000-0001-5196-9872>

*Indukaka Ipcowala Institute of Management, FMS, Charotar University of Science and Technology,
Changa, India*

ABSTRACT

The adoption of information communication technologies (ICT) in rural regions of Gujarat by the Gujarat Cooperative Milk Marketing Federation Limited (GCMMFL) can be considered as an iconic practice in the dairy industry in India. It is typically assumed that the efforts associated with the investment of ICT in rural area are not as effective as expected, though in the case of Amul, it was proved otherwise. Amul is a dairy farming company that produces a variety of milk products and GCMMF takes responsibility of distributing and marketing of the products of it. Amul has been a forerunner of rural India's adoption of ICT in dairy industry. This chapter shares the success story of Amul and how they utilized ICT in the dairy industry. The application of IT enabled Amul to get better control for the accumulated milk from scattered suppliers. The Amul case is a prime example for the enabling role of the technology for innovation.

INTRODUCTION

The Indian economic system has seen the biggest boost in agriculture, manufacturing and the offerings sector in the past few years. Specifically, in India, dairy farming has been rehearsed as one of the main income generating sources in the rural areas. During the past few years, each household unit in these international locations appeared after its 'family dairy animals' or encouraged to conduct dairy farming. The substantial cost of milk creation, troubles of sanitation became major problems for dairy manufacturers. During such a period, a company named Amul, introduced a way to overcome major problems with dairy production. The introduction of new information and communication technological solutions helped Amul to provide solutions for dairy farmers and also obtain an appropriate return

DOI: 10.4018/978-1-7998-4942-1.ch008

for their work. The creators of Amul encouraged the collaboration of farmers and helped them to build their skills and introduced a mutually beneficial arrangement. The association and implementation of new model to collaborate with the suppliers of milk (the farmers in this scenario) made effective contribution to founders and visionaries of Amul in the advancement of the Indian Dairy Farming scenario. The “Green Revolution” in India guaranteed the wellbeing of the people in rural regions and confirmed continued support. Parallely, A “White Revolution” has been headed out to generate a subsidiary profits for rural dairy farmers of Gujarat, India. The technological infrastructure introduced by Amul provided greater efficiencies to milk treating centers and milk merchandise. The introduction of information and communication technologies has also enabled the availability of products and availability of distribution structures that enables the effective distribution for Amul to reach close to billion consumers.

GCMMF, is India’s one of the largest dairy product marketing company with annual business (2019-20) of around US \$ 5.1 Billion. The organization is involved in acquisition of approx. 23 million liters of milk for each day from around 18,600 city milk beneficial social orders. This includes 18 section associations protecting 33 areas, and more than 2.7 million milk providing individuals.

This company is considered as the role model for various dairy cooperative societies in the Gujarat area in India. The company is prominently recognized with the brand name of ‘AMUL,’ among the consumers and the other competitors. The most prominent characteristic of this brand is that it intends to offer profitable approaches to the farmers and furthermore maintain high customer satisfaction and customer engagement through different methods such as offering different objects which are suitable incentive for cash. The model followed by Amul has not been completely been imitated by dairy producers in India and it has been considered as a proven model for recreation in parts of the world. The structure is exclusively working for advertising and marketing for the brand products of ‘Amul’ and ‘Sagar’. This structure is also one of the largest structures in India which includes more than sixty-one Sales Offices and has a vast vendor support that includes ten thousand carriers and more than 11 lakh retailers. This brand offers a range of products that include traditional Indian desserts, ghee, milk, Pizza cheese, Ice-cream, chocolates, milk powder, well-being drinks, spread, cheddar, Paneer and many more.

GCMMF was a small company which was a gift of a co-operative revolution initiated with villages in single digit and around 250 liters of milk in 1946. The success of Amul model commenced with the motto of “Bypassing the intermediaries.” By cutting down the intermediaries, they were able to ensure a proper price for the rural dairy farmers. One of the biggest problems faced by the dairy farmers is that due to intermediaries, they were unable to gain a profit out of their dairy businesses. By introducing a new model, Amul, resolved one of the largest problems faced by the rural dairy farmers.

In Figure 1, the distribution network of Amul is provided.

Figure 1. The anand pattern



14 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/the-ict-adoption-in-amul/266075

Related Content

ReSTART: Developing Entrepreneurial Competencies for Second Chance Entrepreneurs

Clementine Hegarty, Pádraig Gallagher, Isobel Cunningham and Simon Stephens (2020). *Developing Entrepreneurial Competencies for Start-Ups and Small Business* (pp. 253-270).

www.irma-international.org/chapter/restart/251732

Frugal Innovation and Different Dynamics

Muhammad Asif Qureshi, Syed Mir Muhammed Shah, Syed Ali Raza and Hayfa Kazouz (2023). *Frugal Innovation and Social Transitions in the Digital Era* (pp. 133-143).

www.irma-international.org/chapter/frugal-innovation-and-different-dynamics/315152

Paraphernalias of Entrepreneurship – A Contemplating Outlook

K. Madhu Kishore Raghunath, Chandra Sekhar Patro and K. Sirisha (2019). *International Journal of E-Entrepreneurship and Innovation* (pp. 47-62).

www.irma-international.org/article/paraphernalias-of-entrepreneurship--a-contemplating-outlook/218282

Social Communities of Design and Makers and their Impact on Learning

Norman Gwangwava, Albert U. Ude, Enoch N. Ogunmuyiwa and Richard Addo-Tenkorang (2018). *International Journal of E-Entrepreneurship and Innovation* (pp. 42-61).

www.irma-international.org/article/social-communities-of-design-and-makers-and-their-impact-on-learning/210053

The Effectiveness of E-Entrepreneurship Training Programs in the Emerging Markets (GCC)

Anas Al Bakri (2022). *International Journal of E-Entrepreneurship and Innovation* (pp. 1-16).

www.irma-international.org/article/effectiveness-entrepreneurship-training-programs-emerging/290821