

Amul: Evolution Of An International Brand

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PROLOGUE

Amul, acronym for **Anand Milk-producer's Union Limited** was associated with dairy development in India. The Brand was established as a regional brand by Kaira District Cooperative Milk Producers' Union Limited to sell its milk powder and butter in regional markets of Gujarat and Bombay. The brand revolved around Amul butter and served as a single product brand. From a single product brand, it developed into a family brand. After the creation of Gujarat Cooperative Milk Marketing Federation (GCMMF) in 1973, the brand was managed by GCMMF for trade purposes, selling various types of products of its thirteen district level milk unions in the pan India market. Due to high brand equity, the Amul brand became the No. 1 Food brand of India. The Amul brand crossed the Indian shore and became stronger in a way that Synovate Hong Kong; a multinational research company has found that Amul is the number 1 brand in liquid milk category in the Asia Pacific region, leaving behind a number of established international brands. This way, Amul has travelled a long journey, from being a national brand to being an international brand.

This paper strives to trace the attributes and processes of transformation of Amul from being a regional brand to being an international brand, and trace its legacy in this marvelous journey.

On the onset, it would be fitting to capsule different aspects of a brand. A brand is a distinguishing name and/or symbol (such as the logo, trademark, or package design) intended to identify the goods or services of either one seller or a group of sellers, and to differentiate those goods or services from those of competitors. A brand thus signals to the customer the source of the product, and protects both the customer and the producer from competitors, who would attempt to provide products that appear to be identical (Aaker, 1991). Brands provide the basis upon which consumers can identify and bond with a product or service or a group of products or services (Weilbacher, 1995). From the customer's point of view, a brand can be defined as the total accumulation of all his/her experiences, and is built at all points of contact with the customer (Kapferer, 2004). A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values, which match their needs most closely (Chernatony and McDonald, 1998).

BIRTH OF THE AMUL BRAND AND ITS BRAND ELEMENTS

In 1946, Polson Dairy had monopoly granted by British Government to collect milk from Anand district in Gujarat and supply it to Bombay city. The agents of Polson's Dairy arbitrarily decided the prices depending on the production and the season. Milk is a commodity that has to be collected twice a day from each cow/buffalo, thus generating a surplus. In winter, the producer was either left with surplus / unsold milk, or had to sell it at very low prices. In the summer season, the milk often went sour, as it took a long time to physically carry it in a container. Milk Producers had to travel long distances to deliver milk to the only dairy, the Polson Dairy in Anand. Thus, Polson was exploiting the milk producers of Anand. Nationalist leaders like Sardar Vallabhbhai Patel, Morarji Desai and Tribhuvanbhai Patel championed the cause of poor farmers. They came out with solution that exploitation by Polson could be checked if milk producers specialized in the collection, transportation, processing and marketing of milk by themselves. The milk producers organized themselves under a cooperative business model and formed Kaira Districts Milk Producers Cooperative Union Limited (KDCMPUL) in 1946, which is also popularly known as Amul Dairy. Thus, Amul Dairy was registered as a response to end the exploitation of marginal milk producers of the Kaira district of Gujarat by the agents of the Polson Dairy.

The birth of Amul at Anand provided the impetus to the Cooperative Dairy Movement. The Kaira District Cooperative Milk Producers' Union Limited (KDCMPUL) started processing milk from the Government Research Creamery from 1st June 1948, and began the supply of pasteurizing milk for the Bombay Milk Scheme. At that time, there was no branding of the product. Polson was the most well-known brand in the country in the Dairy sector. Polson's butter was

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as famous and as popular as Amul butter is now. On 31st October 1955, Amul Dairy inaugurated its first processing plant to convert surplus milk produced in the winter season into milk powder and butter and started its marketing under the Amul Brand. Brand name Amul was conceived from the acronym of Anand Milk-producer's Union Ltd. Amul is not a proprietary brand, but it is collectively owned by 3.03 million milk producers of 15712 village level cooperative societies of Gujarat. Amul Dairy being a cooperative organization owned by poor milk producers decided a shoe string budget for the initial year and preferred out door advertising. Establishing brand awareness against the popular Polson brand was a major challenge in the initial years of brand building. In 1966, Sylvester da Cunha from an ad agency of ASP took over the account of Amul. He decided to bring in freshness in the way foods were advertised in a routine manner and created a unique brand image of Amul Butter. In initial phase of brand building, Amul emerged as a regional brand in Gujarat and Bombay city. During 1955 until 1973, Amul was a regional brand with six brand elements. Brand elements enhance brand awareness, facilitate the formation of strong, favourable, and unique brand association (Keller, 2008). Its brand elements, which explain how Amul emerged as a regional brand, are given below :

(1) Memorability : A necessary condition for building brand equity is achieving a high level of brand awareness. The Brand element, which promotes that goal, is inherently memorable and attention getting and ,therefore, facilitates recall or recognition in purchase or consumption setting. Outdoor billboard is synonymous with advertisement of Amul butter. Advertisements on billboards have been changing every Friday since 1967, and appear at strategic places all over India. Round eyed and chubby cheeked, the Amul Moppet, dressed in her little polka-dotted dress, and a red and white bow, has been Amul's brand ambassadress since long. The Amul girl, who lends herself so completely to Amul better, was created as a rival to the Polson butter girl. Outdoor advertising has tongue in cheek sketches, with the Amul brand ambassadress jovially commenting on the latest news or current events. Latest news or current events have no boundary. The Amul Moppet is commenting on almost everything, from the political scene to entertainment, from national to international news, from sports to war, using a funny situation. No doubt, the Amul butter ads were termed "*Friday to Friday Star*". This way, the brand reinforced its memorability every Friday. Amul ads have been loved so much because the idea was quite simple, and the topic deals with something that every body is thinking about. By incorporating current events in advertising, the brand remains evergreen and fresh.

2) Likeability : Independent of its Memorability, Likeability explains whether the customers find the brand element to be aesthetically appealing. Is it likable - visually, verbally, and in other ways? Amul butter brand ambassador is the Amul girl: the cherubic little girl . She was created to appeal to Indian housewives. When the very first hoarding of Amul butter came out in Bombay in 1967, the advertisement was liked by the masses, especially by the housewives. Amul butter advertisement has a one liner punching comment on a situational topic in a mixture of Hindi and English (Hinglish). It is scripted in such a manner that even non-Indians can understand the essence of the Amul advertisement and like it. The recognizable tagline is "*Utterly Butterly Delicious Amul*". The entire ad is so humorous that people stop to look and chuckle at Amul outdoor hoardings.

3) Transferability : Transferability measures the extent to which the brand element adds to the brand equity of new products for the brand. In other words, how useful is the brand element for line or category extension? Amul dairy started processing of milk in 1955 to produce milk powder and butter. Initially, only butter was sold under the Amul brand. Later, Milk Powder (1958), Cheese (1962), Nutramul (1973), Chocolate (1973), UHT Milk (1980), Ice-creams (1996), Paneer and Mithai (Ethnic sweets) (1997), Processed Cheese Spread (1998), Curd (1999), Frozen Pizza (2002) were added to the product line. Each product line was extended by product depth. The brand was so generic that it has high transferability. All product mixes are sold under the Amul brand.

4) Adaptability : Because of the change in consumer values and opinions, or simply because of a need to remain contemporary, most brand elements must be updated. The more adaptable and flexible the brand element, the easier it is to update it. The Amul logo and brand ambassador have not changed over the years, but for the product mix of Amul, they have adopted new tag lines from time to time like "*Amul doodh pita hai India*", "*Amul - The Taste of India*".

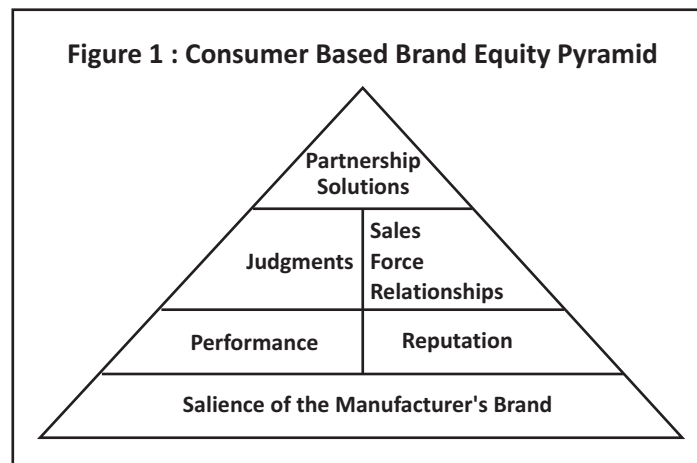
5) Protectability : A Brand should be protectable-both in the legal and competitive sense. Marketers should choose brand elements that must be legally protected internationally, formally registered with the appropriate legal bodies, and vigorously defend the trademark from unauthorized competitive infringement. Amul is a legally protected brand. Amul had filed and won a case against Amul hosiery, a company manufacturing undergarments by brand infringement.

6) Meaningfulness : Brand element may take on all kinds of meaning with either descriptive or persuasive content. Amul has warped itself around milk, and it is identified with dairy products, like the State Bank of India is identified for banking. Amul has a persuasive meaning, and it stands for quality and value for money. Commitment to quality and value for money are two propositions that make Amul successful. Commitment for quality starts from the collection centre of raw milk at the village level. During the chain of processing and value addition, strict quality control measures are adhered to so as to ensure a final quality product for the consumers.

EVOLUTION OF THE AMUL BRAND AND ITS BRAND EQUITY

After the success of the Amul brand and Amul dairy, several other district cooperative milk producers' unions sprang up in Gujarat. Gujarat Cooperative Milk Marketing Federation (GCMMF) was created in 1973 as an apex federation of all the district cooperative milk producers' unions, exclusively for marketing of milk and milk products of affiliated district cooperative milk producers' unions. In 1973, the Amul brand was handed over by Amul dairy to GCMMF under a mutual trust for the sole purpose of safeguarding the interest of millions of milk producers. GCMMF had a responsibility of marketing milk and milk products of 5 district cooperative milk producers' unions in the very first year of its inception. With the passage of time, more district cooperative milk producers' unions affiliated to GCMMF. The volume of production was so enormous that GCMMF was forced to go beyond the local markets of Gujarat and Mumbai. Initially, the marketing plan was targeted at metro and large cities of India. Pan Indian marketing by GCMMF necessitated a brand with strong brand awareness and brand equity. Brand awareness consists of brand recognition and brand recall performance. It also means increasing the familiarity of the brand through repeated exposure by advertising and promotion, sponsorship and event marketing, publicity and public relations, and outdoor advertising. As per Srivastava and Shocker (1991), brand equity is a set of associations and behaviors on the part of a brand's customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name and that gives a strong, sustainable and differential advantage. In a similar vein, Aaker (1991) defined brand equity as: a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or that firms' customers. Ambler (1995) proposed that brand equity refers to "the asset".

Amul had the leverage of strong brand awareness, which helped GCMMF to capture a major share of market in almost every product category. The brand awareness of Amul was so strong that Amul was able to fight with major multinational brands in the food category. Over the period, the product line extended, and it covered milk products (butter, ghee, curd, butter milk); milk based products (cheese, ice cream, desserts, sweets, bread spreads, energy drinks); and non-milk products (pizza, nutramul). This transformed Amul from a 'dairy brand' to a 'food product brand'.



The Amul Brand went from strength to strength, and it developed itself as a strong brand at the national level also. The sequence of brand building and evaluation of Amul as a national brand can be well explained with the help of brand building blocks of Consumer Based Brand Equity Pyramid. According to Keller (2009), the CBBE model provides a unique tool as to how brand equity should best be built and managed. Different blocks of CBBE are given as follows:

✿**Block 1: Salience of Manufacturer's Brand:** Brand salience measures awareness of the brand. Amul had a strong brand awareness due to its billboard advertisement across the cities at strategic places. To create a stronger awareness in the pan-India market, GCMMF chose multimedia campaign simultaneously appearing on Television and Press, besides billboards. Amul sponsored serials like *Amul Surabhi* on Doordarshan, which had a major reach to almost every part of India. Amul targeted children for its milk-based products and sponsored “*Amul Voice of India*”, a singing reality show on Star Plus. Later, Amul targeted mothers and sponsored “*Mummy Ke Superstar*” (Mother's superstar) on Star Plus. GCMMF launched exclusive distribution system for all product ranges of Amul with the launch of '*Amul parlour*'. It was designed by National Institute of Design, Ahmedabad and placed at strategic locations in the cities to boost the brand awareness. In the pan-Indian market, Amul positioned itself as the brand of India by punch lines “*Amul doodh pita hai India*” and “*Amul - The Taste of India*”.

✿**Block 2: Imagery:** When the Amul brand was created in 1955, at that time, India was nowhere in milk production. After the success of the cooperative model of collection, processing and marketing of milk, the same model was branded as “*Anand Pattern*” and was extended to increase milk production in India. Amul was closely related to Anand, its birth place. In subsequent years, as our country moved towards higher milk production in every part of India, “*Anand Pattern*” was tested and was found to be successful. This gives a positive image to “*Anand Pattern*” as well as to Amul. Success of Amul dairy inspired other farmers to form and manage their own dairy business. Consequently, the same pattern of the business model of collection, processing and marketing of milk on a cooperative basis was replicated in other districts of Gujarat. This particular model was popularized as “*Anand Pattern*” and was replicated in other parts of the country through National Dairy Development Board (NDDB), Anand. Due to “*Anand pattern*”, milk production in India increased year after year. India overtook U.S.A. in 1998 as the world's largest milk producer, with milk production of 74 million tones and became No. 1 in milk production in the world. It was a proud moment for every Indian, and its credit goes to “*Anand Pattern*”. Amul and “*Anand Pattern*” are so closely associated that Amul emerged as *the national brand with a difference*.

✿**Block 3: Performance:** Brand performance describes how well the product meets the customer's more functional needs. The brand performance transients the products' ingredients and features to include dimensions that were differentiated on its reliability to deliver quality products at a lower price. In every product category, Amul constantly delivered high-quality products at a lower price than the price charged by MNCs. Amul has leverage of low cost of production due to its well developed backward integration. Amul frozen pizza was available at ₹ 30 a piece, whereas, a pizza of the same size from Pizza Hut, US Pizza and Dominos is 2.5 to 3 times costlier. Amul butter is ₹ 1 -2 cheaper than its nearest competitor, Britannia. Amul ice-cream is cheaper than that of Walls, Quality, Vadilal, Havmor, and so many local brands.

✿**Block 4: Feelings:** Brand feelings are customer's emotional response and reaction to a brand. It also relates to social currency evoked by the brand. The Amul brand positioned itself as a socially approved brand, and reconciled itself with the youth. It launched energy milk drinks like *Amul kool*, *Milk shake*, *Amul kool café*, *Kool koko*, *Nutramul energy drink*, etc. and the entire advertisement moves around fun and frolic. The Amul brand emerged as a youthful brand, vivacious and brimming with energy. Amul also positioned itself as a health conscious brand by launching Probiotic ice-cream and sugar-free variants of Chocolates, Choco-Mini, to target the diabetic people.

✿**Block 5: Judgment:** Judgment is the image of the brand in the mind of the customer through which the customer judges the brand. Judgment includes attributes like quality, credibility and consideration. The customers associate Amul with quality. Amul also maintained the credibility to deliver quality products year after year by adopting new technologies, innovations and best practices of management. Amul was 1st to introduce the tetra pack in edible oil and later in food category. Due to its superior products, Amul emerged as the number 1 brand in the pan India market. Its market share is given in the Table 1.

✿**Block 6: Resonance:** In the final step of brand building, Amul focused on creating a relationship with the customer. Brand resonance describes the nature of relationship between the customer and the brand. Amul enjoys a strong loyalty from its customers. This is reflected in sales volume of the Amul brand. 55 years after it was first launched, Amul's sale turnover jumped to over ₹ 97742 million a year in 2010-11.

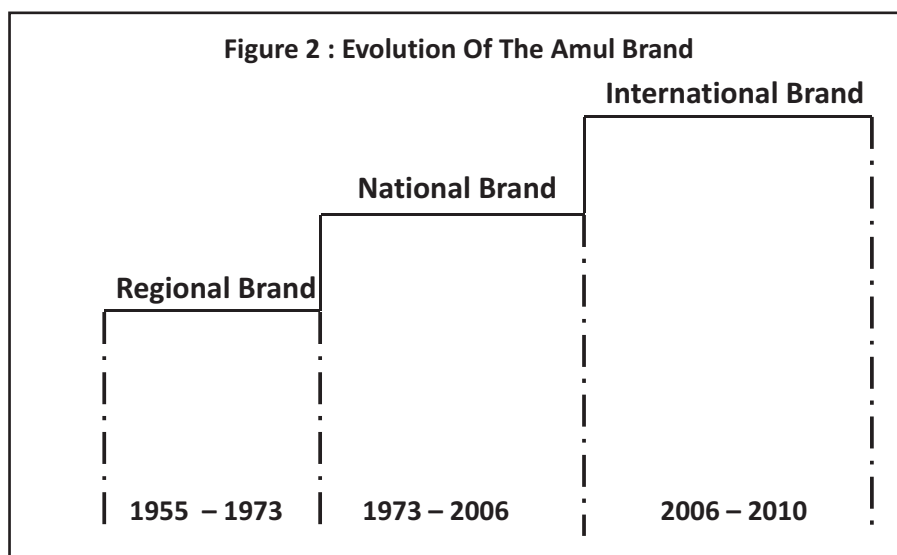
After emerging as the No.1 Food brand in India, Amul has targeted the overseas market, particularly to cater to the needs of the Non-Resident Indians (NRIs). Amul explored the cyber world and used the internet based marketing.

Table 1: Market Share (%) of GCMMF (AMUL brand) in Various Product Categories

Product	Amul	Cadbury	Britannia	Nestle	Others	Mother Dairy	Vijaya	Saras	GoodLife	HLL	Pizza Hut	Dominos Pizza
Processed Cheese	63	-	36	-	1	-	-	-	-	-	-	-
Chocolate	5	79	-	14	2	-	-	-	-	-	-	-
Butter	86	-	4		10	-	-	-	-	-	-	-
Infant Milk	68	-	-	24	8	-	-	-	-	-	-	-
Dairy Whiteners	45	-	12	24	19	-	-	-	-	-	-	-
Yoghurt	75	-	-	5	5	15	-	-	-	-	-	-
Ultra High Treated	36	-	-	14	18		9	9	14	-	-	-
Sweetened Condensed Milk	30			70								
Ice Cream	27				22	11				40		
Pizza (Pieces Per Day)	25000										21000	50000

Source: Business Today, April 2007

Amul created an internet brand to reach the overseas customers using internet marketing. Amul created a virtual ice-cream parlor in the cyber world in Second Life by setting up the 3D virtual world. Amul tried to create a real world on the internet by creating the 3D virtual world so that the customer of the virtual world should have the same experience of the real world. On the internet, Amul's topical campaigns are converted into the banner ad to establish a relationship with thousands of Indians residing abroad. Amul has also created a cyber community on Orkut to mutually exchange the feeling and experience of customers with the brand. Amul expanded its presence in South Asia, Mauritius, USA, and UAE. In September 2006, when a Danish cartoonist made a cartoon of Prophet Muhammad, then all Muslim countries boycotted the Danish and Norwegian products, especially the dairy products. It gave Amul a chance to capture the Middle East market. Amul is competing with multinational brands like Kraft, Dutch Lady, Dumex, Walls, Anchor, and Magnolia in the international market. Amul maintained its leverage and philosophy of delivering high quality- low price products in the international market. Due to this marketing strategy, Amul emerged as a strong brand in the international market too. As per the report published in "*Media Magazine*" published from Hong Kong, Synovate, a leading research organization conducted research in nine markets, including China, Hong Kong, Taiwan, Philippines, Thailand, Malaysia, Singapore, Indonesia, India, and Japan. The survey covered 12 major products and



services categories and interviewed people aged between 15 to 64 years. The survey ranked Amul as the No-1 brand in liquid milk category in the Asia-Pacific region. Besides, Amul is the only Indian brand included in the list of the Top 1000 brands of Asia Pacific and was ranked at the 83rd position (ToI 2009). When a British butter making company named its butter "*Utterly Butterly*", then it was termed as a great tribute to the Indian brand, that has not only established itself as the No. 1 brand, but has also inspired others to follow suit. Scot Bradbury, the man behind Nike and Starbucks once opined that "*a great brand is a story that is never completely told. It is a metaphorical story that is evolving over the time*". It seems true for the Amul Brand also. Amul advertisements are one of the largest running advertisements based on the same theme. Amul has transformed itself with the passage of time and has positioned itself on the next higher level. In the years to come, this *desi* grown international brand is bound to achieve some major milestones in the area of branding.

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