



How Amul Is Creaming The Competition.
By Dibeyendu Ganguly

One Smart Cookie

Amul entered the biscuit market guns blazing last month, with a social media campaign declaring that its new range of butter cookies contain 25% butter, whereas other brands have no more than 3%. The ad further invites viewers to check the nutritional information on the packaging of rival brands and send in pictures, for which they would receive an Amul hamper. The competition promptly registered a complaint with the Advertising Standards Council of India (ASCI), but RS Sodhi, managing director of the Gujarat Co-operative Milk Marketing Federation (GCMMF), which owns the Amul brand, is having none of it. "We are the custodians of the butter category," he says. "Other brands are tarnishing it, putting vegetable oil in their cookies and calling it butter. Britannia has only 2% butter. It makes a big difference to the taste."

The vegetable oil cookie pictured in the Amul ad is indeed Good Day from Britannia, with which it also competes in the dairy category. Britannia finally countered with its own ad last week, which points out that the Amul Butter Cookie, with 25% butter, contains seven times more cholesterol than Good Day. Whether this convinces consumers to stay with the market leader remains to be seen, but Amul's cookie campaign is reminiscent of the one it launched for its ice creams, which forced brands like Kwality Walls to label their products as frozen desserts because they contained no cream. It was a body blow the Unilever brand never recovered from. GCMMF is now the market leader in ice creams and a big category like biscuits has the potential to boost its ₹33,000 crore annual turnover (2018-19) in equal measure. Amul cookies are currently available only in Gujarat, but then, the organisation has always opted for slow roll outs when it enters a new category, much like the proverbial Juggernaut. Its ice



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cream was introduced first in the cities of Gujarat, then Maharashtra and it took all of five years till it was available nationally.

Meanwhile, Sodhi has revived Amul chocolates, with a range of dark chocolates manufactured at a brand new hi-tech plant (inaugurated by Prime Minister Modi) located next to its bakery facilities. GCMMF has been innovating in the beverages category, with new products ranging from whey-based fruit drinks to milky mocktails that actually taste vaguely of alcohol. Amul has also responded to the increased segmentation its primary product, with lactose-free milk, cow milk, buffalo milk and, from its dairy in Bhuj, camel milk. And then there's

the *mithai* range – peda, kaju katli, rasmalai – which Sodhi expects will soon take a quantum leap in volumes. "Our strategy is to tailor products to local taste. We have dairies in every part of the country which can do that. Products for Delhi are made in Delhi. For example, there are five different types of Amul ghee, made from different process, marketed according to region," he says.

Backing this ever-expanding product portfolio is a powerful distribution channel, which includes 8,500 exclusive Amul parlours. BM Vyas, managing director of GCMMF from 1994 to 2010, recalls how the channel was built: "After the successful ice cream launch in 1996, we were opening 50 outlets a day. We could not give them high margins, as a cooperative committed to holding down costs, but we promised volumes. It helped that the Dhara brand of oil was also with GCMMF, providing distribution heft."

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PG4
Moppet Masti
Amul's iconic creatives through the years

Union ke har territory mein...

कृषी-सुखी से क्या जीवन!
कुछ तो चाहिए
अमूल मक्खन!!

New Amul Hamesh
₹19/- per litre

One Smart Cookie

Those were the days when the naysayers were predicting Amul would cave to private sector competition after liberalization, but it actually managed to hold its own and grow. When GCCMF was created in 1974 to market the products of Gujarat's district dairies on a 5% commission, its portfolio consisted of liquid milk, milk powder, ghee, cheese and butter, which were often in short supply. Come the 90s, the situation reversed and booming milk production obliged GCMMF to think in terms of more value added products. "Our market research threw up a list of 40 products that consumers might want from Amul. Many of them, like curd and buttermilk, were traditionally made at home. But we believed the new Indian consumer had more money but less time and wanted off-the-shelf options," says Vyas.

Still, the trepidation over launching curd and buttermilk was such that GCMMF created the Masti sub-brand to shield Amul from possible disaster. These two products remain a runaway success but some of the others on the list did not fare

as well. Amul Frozen Pizza and Masti soup, both considered high-potential products, failed to take off.

As it forayed into new product categories, Amul introduced several innovations in packaging. Hindustan Packaging, a joint venture between Tetra Pak of Switzerland and the National Dairy Development Board, which then made the packaging for Dhara oil, was roped in for packaging long-lasting Ultra High Processed milk in 1994. This was Amul's second attempt at selling milk in Tetra Pak cartons and Vyas took no chances. "We decided to call it Taaza, though it has a one-year shelf life," he says with a grin. "And we initially priced it at cost. It was transported from Anand to Kolkata, where it cost at Rs 18 a litre, when fresh milk was Rs 14."

Today, GCMMF's big challenge is to keep the image of its brand young, while retaining its legacy. Market research says Amul appeals most to the 35+ age segment and less to youngsters, who think

it's rather fuddy-duddy. The mantle for change is set to fall on Kishore Jhala, GCMMF's chief operating officer and MD designate, who is reaching out to the young segment through sports sponsorships and digital marketing. "Amul is a mass brand, but the youth of today is no longer on mass media. You have to catch them elsewhere," he says.

As it turns out, the Amul mopet has taken well to social media. Originally created for Amul butter in 1966, with the "utterly butterly delicious" tagline, the cartoon series has proved to be so enduring that GCMMF now uses it for the umbrella brand, with no mention of butter. Still, old associations die hard. In May, when Amul created a cartoon of Deepika Padukone at Cannes in her Giambattista Valli tulle gown with the title "Gori Tera Gown Badda Nyaara," the Bollywood actress put it on her Instagram handle (38 million followers) with the comment "this is truly the icing on the cake...or the butter on the toast." Her husband Ranvir Singh (26 million followers) then punned "literally raising a toast. Makkhan is life."

"This is not the first time this has happened," says Jhala. "Celebrities from every field feel they have arrived when they are featured in Amul topicals."

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