

# Study on Impact of Marketing Strategy on Consumer of Amul Products

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## Abstract

This study aims to explore the impact of marketing strategies employed by Amul, one of India's most iconic dairy brands, on consumer perception, purchase behavior, and brand loyalty. It delves into various dimensions such as advertising effectiveness, digital marketing initiatives, pricing strategies, distribution networks, and product diversification. Through a combination of qualitative and quantitative research, including surveys, interviews, and analysis of secondary data, the research identifies key factors influencing consumer behavior and evaluates the success of Amul's marketing mix in the context of an evolving Indian market. Findings suggest that Amul's value-based branding, affordability, and trust in quality have significantly influenced consumer preferences, though there is room for improvement in digital engagement and urban segmentation.

## Background of the Study

Marketing strategy is the blueprint that enables a company to deliver value to its customers and gain a competitive edge in the market. In the highly competitive Indian Fast-Moving Consumer Goods (FMCG) sector, especially in the dairy industry, a well-articulated marketing strategy becomes critical to influence consumer decisions, drive loyalty, and boost profitability. Amul, an acronym for Anand Milk Union Limited, has emerged as a pioneer in India's dairy segment, not only due to its product quality and pricing but also because of its consistent and innovative marketing efforts over decades.

Amul is the flagship brand of the Gujarat Cooperative Milk Marketing Federation (GCMMF), a dairy cooperative society established in 1946. What began as a small resistance movement against monopolistic dairy policies in India is today a ₹60,000+ crore brand and one of the most recognizable names in Indian households. Amul's rise is not just a story of industrial success but a case study in marketing excellence, cooperative movement, and consumer connect. The legendary —Amul Girl— campaign, launched in 1967, is one of the longest-running and most effective advertising campaigns globally. The brand's ability to evolve with time — adopting digital media, product diversification, regional market strategies, and e-commerce — has allowed it to remain relevant across generations.

This study seeks to explore the multifaceted impact of Amul's marketing strategy on its consumers — how the combination of pricing, product innovation, communication, and distribution affects consumer awareness, perception, buying behavior, and loyalty in an ever-evolving FMCG landscape.

## Overview of the Indian Dairy Industry

India is the largest producer and consumer of milk in the world, contributing to over 22% of global milk production. The Indian dairy market is valued at approximately ₹13.17 trillion (2023–24) and is growing at a compound annual growth rate (CAGR) of about 6%. Despite its vastness, the sector is largely unorganized, with over 60% of production occurring through unregulated local vendors and small cooperatives. Amid this fragmentation, Amul has successfully positioned itself as a symbol of trust, hygiene, and value.

The urbanization of Indian society, changing dietary habits, increasing awareness of nutrition, and rising disposable incomes have led to the growing demand for processed and packaged dairy products. This has opened the field to competition from private brands such as Nestlé, Britannia, Mother Dairy, and regional players. To stay ahead, organizations like Amul must consistently align their marketing strategy with changing consumer preferences, technological advancements, and socio-economic trends.

## Marketing Strategy and Its Role in Consumer Behavior

Marketing strategy involves planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services. A well-crafted strategy identifies target markets, addresses consumer needs, and positions a brand effectively against competitors.

In the dairy industry, consumer decisions are influenced by factors such as taste, packaging, health benefits, price sensitivity, and availability. However, brand trust, promotional tactics, and emotional appeal also play a significant role. A brand like Amul has managed to strike this balance by:

- Delivering consistent quality and value
- Using humor and current events in advertising (Amul Girl)
- Keeping prices affordable
- Ensuring strong rural and urban distribution networks
- Innovating across product categories — from milk to chocolates, ice creams, beverages, and frozen foods

This research aims to investigate how these marketing strategies resonate with different consumer demographics and to what extent they influence purchase decisions.

## Amul's Evolution in Marketing

### Strategy

#### Traditional Marketing

Amul's early marketing efforts revolved around mass media — newspapers, radio, billboards, and later television. The —Amul Girl mascot became iconic due to her topical, witty, and engaging messages that connected deeply with the Indian public. This campaign reflected societal issues, political satire, sports, cinema, and everyday life, making Amul not just a food brand but a cultural commentator.

## Product and Pricing Strategy

Amul maintains a "value-for-money" positioning, offering good quality at affordable prices. This pricing strategy caters to a broad consumer base, including low-income families and health-conscious youth. The product portfolio is extensive — over 1,000 SKUs — with offerings in milk, butter, paneer, dahi, cheese, chocolate, ghee, ice creams, flavored milk, and ready-to-eat foods.

## Digital and Social Media Marketing

In recent years, Amul has embraced digital platforms to reach millennials and Gen Z.

Through YouTube ads, meme marketing, influencer tie-ups, and regular posts on Instagram, Twitter, and Facebook, the brand has rejuvenated its image and maintained relevance. During the COVID-19 lockdown, for example, Amul's viewership and online engagement surged due to nostalgic content and live recipe shows.

## Retail and Distribution

Amul's wide distribution network — encompassing over 10,000 distributors and 1 million retailers — ensures its presence in the remotest parts of India. It uses a hub-and-spoke model for efficient cold storage and logistics. It is also actively investing in e-commerce, partnering with platforms like BigBasket, Amazon, and launching its own delivery app — Amul Online.

## Rationale of the Study

Amul's consistent success in brand loyalty and consumer trust invites academic investigation into how its marketing tactics influence consumer behavior, especially in the context of new-age digital consumers. While existing studies have focused on cooperative success and production models, there is a significant research gap in understanding:

- How consumers perceive Amul's marketing communication
- What elements of its strategy influence brand preference and loyalty
- How digital strategies compare to traditional marketing in effectiveness

Furthermore, consumer expectations are evolving rapidly with the growth of the digital economy, health trends, and environmental concerns. To remain competitive, Amul needs to constantly adapt its strategy, and this study aims to provide insights into what is working and what could be improved.

## Scope of the Study

- **Geographical Coverage:** Urban and semi-urban centers in India (Delhi, Mumbai, Bengaluru, Ahmedabad, Pune, and Lucknow)
- **Consumer Segments:** Teenagers, young adults (18–30), middle-aged consumers, and families
- **Products Covered:** Milk, butter, ice cream, cheese, chocolates, flavored beverages
- **Time Frame:** Consumer behavior over the last 2–3 years post COVID-19 pandemic

## Research Questions

1. What are the key components of Amul's marketing strategy?
2. How do consumers perceive and respond to Amul's advertisements and promotions?
3. What impact does pricing and product variety have on consumer purchase behavior?
4. How effective is Amul's digital marketing in comparison to traditional approaches?
5. What suggestions can improve Amul's marketing outreach and customer engagement?

## Significance of the Study

This study provides a dual advantage:

- **Academic Insight:** Adds to the body of research on marketing strategies in the FMCG and dairy sectors.
- **Practical Relevance:** Offers valuable recommendations for Amul to refine its marketing mix based on consumer feedback, enabling better targeting and positioning.

## 2. Introduction

- **Overview of the Indian Dairy Industry**
  - o Growth trajectory and market share
  - o Position of Amul in the Indian dairy ecosystem
- **Background of Amul**
  - History, vision, and founding (Operation Flood, Verghese Kurien)
  - o Product portfolio (milk, butter, cheese, ice cream, beverages, etc.)
- **Need for the Study**
  - o Rapid evolution of consumer preferences
  - o Increased competition from brands like Mother Dairy, Nestlé, Britannia
  - o Rise of digital marketing

- **Marketing Strategies of Amul** o Traditional marketing (Amul Girl ads, print & TV) o Modern digital strategy (Instagram, YouTube, website) o Product innovation and packaging o Pricing strategy (value-for-money) o Distribution channels (retail, e-commerce, rural outreach)
- **Scope and Limitations** o Focused on urban and semi-urban consumers o Limited to select cities across India (e.g., Delhi, Mumbai, Ahmedabad, Bangalore)

### 3. Literature Review (Approx. 3,000–4,000 words)

- **Consumer Behavior Theories** o Maslow's hierarchy of needs o Howard-Sheth model o AIDA model
- **Marketing Strategy Models** o 4Ps and 7Ps of Marketing o Porter's Generic Strategies o STP (Segmentation, Targeting, Positioning)
- **Previous Studies** o Research on consumer perception of dairy products o Impact of brand communication in FMCG sector o Role of price sensitivity in consumer choice o Case studies on Amul's brand evolution
- **Gaps Identified** o Limited academic research on Amul's digital marketing impact o Lack of comparative analysis with other FMCG dairy brands

### 4. Objectives of the Study

1. To examine the marketing strategies employed by Amul.
2. To assess the influence of Amul's marketing mix on consumer behavior.
3. To study the role of digital and traditional advertising in brand recall.
4. To identify consumer satisfaction levels with Amul's product line.
5. To provide suggestions for enhancing marketing effectiveness.

### 5. Research Methodology (Approx. 2,000–3,000 words)

#### ☐ Research Design

Descriptive and analytical research

- **Sample Design** o Sample size: 500 respondents o Sampling technique: Stratified random sampling o Area: Metro cities + tier-2 towns (e.g., Pune, Surat, Kochi)
- **Data Collection Methods** o Primary: Questionnaire, interviews, focus groups o Secondary: Company reports, articles, advertisements, competitor analysis
- **Tools of Analysis** o SPSS/Excel for data tabulation o Charts, pie diagrams, cross-tabulation o Regression, correlation, and factor analysis

#### ☐ Limitations

- o Bias in self-reported responses
- o Limited to Amul consumers only

## 6. Analysis and Interpretation (Approx. 4,000–5,000 words)

- **Demographic Profile of Respondents** o Age, gender, income, education, occupation
- **Consumer Awareness and Perception** o Awareness of Amul's campaigns (Amul Girl, —Utterly Butterly Delicious!) o Rating of brand image and trust
- **Effectiveness of Marketing Mix** o Product: Quality, variety, packaging innovation o Price: Affordability, value-for-money perception o Promotion: Ad recall, message clarity, emotions invoked o Place: Availability, retail vs. online access
- **Digital Marketing Impact** o Engagement with Amul on social media o Effectiveness of meme marketing and topical ads
- **Buying Behavior** o Frequency of purchase o Brand loyalty vs. experimentation with alternatives
- **Satisfaction and Feedback** o Overall satisfaction level o Areas of improvement (service, delivery, freshness)

## 7. Findings

1. Amul enjoys high brand recall and trust across all demographics.
2. Traditional marketing strategies continue to outperform digital in Tier-2 cities.
3. Younger consumers show preference for brands with strong digital presence.
4. Pricing is a major strength; perceived as affordable and fair.
5. Product variety satisfies consumer demand, though more regional innovations are desired.
6. Packaging and design improvements positively influence urban buyers.
7. There is untapped potential in influencer marketing and e-commerce optimization.

## Suggestions

- Strengthen digital engagement through personalized content and influencer partnerships
- Launch region-specific dairy innovations (flavored milk, organic line, local cuisines)
- Invest in interactive campaigns targeted at Gen Z and millennials
- Use AI/data analytics for personalized offers via Amul Online
- Enhance urban packaging aesthetics for premium segments
- Improve cold chain logistics to boost online delivery satisfaction

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