## CONTENTS

**Chapter - 1**  
Dairy Products Industry in India  
01 - 66

**Chapter - 2**  
Corporate Profile of Major Players  
67 - 113

**Chapter - 3**  
Consumer Behaviour in Dairy Products Segment  
114 -149

**Chapter - 4**  
Marketing Strategy in Dairy Products Segment  
150 - 242

**Chapter - 5**  
Environmental Scanning in Dairy Products Segment  
243 - 275

**Chapter - 6**  
Data Analysis  
276 - 319

**Chapter - 7**  
Findings, Conclusions and Suggestions  
320 - 343

**Appendix - I**  
Bibliography

**Appendix - II**  
Questionnaire

**Appendix - III**  
Promotional Material of Different Products of  
- Amul  
- Nestle  
- Britannia  
- Cadbury
CONTENTS

CHAPTER-1

DAIRY PRODUCTS INDUSTRY IN INDIA

1.1 Aims and Objectives of the White Revolution
   A. Operation Flood
   B. National Dairy Development Board (NDDB) & Operation Flood Programme (OFP)
   C. National Milk Grid

1.2 Beginning of a Revolution
   A. History of Co-Operation Dairy in India

1.3 Dairying in India 2000 A.D.
   A. Crop Residue Based Milk Production
   B. Speedier Upgrading of Our Dairy Animals
   C. Animal Health Care and Field Recording Programmes
   D. Milk Producers' Cooperative Societies
   E. Milk Collection at the Village Societies
   F. District Union's Dairy
   G. Newer Dairy Products
   H. Tomorrow's Dairy Professional
   I. India: World's Largest Milk Producer
   J. Annual Milk Production Has Trebled

1.4 Definition of Dairy Products
   A. Milk
   B. Milk Products

1.5 Butter
   A. Introduction
   B. History
   C. Definition
   D. Classification
   E. Composition
   F. Food and Nutritive Value
1.6 Cheese
   A. Introduction
   B. Definition
   C. History
   D. Scientific Basis of Cheese Making
   E. Classification
   F. Food and Nutritive Value
   G. Composition

1.7 Condensed Milk
   A. Introduction & History
   B. Definition
   C. Types of Condensed Milk
   D. According to the Uses
   E. Composition and Standards
   F. Food and Nutritive Value for Condensed Evaporated Milks
   G. Role of Milk Constituents in Condensed Milks
   H. Uses of Condensed and Evaporated Milks

1.8 Dairy Whitener
   A. Introduction
   B. Objects of Production
   C. History and Development
   D. Standards
   E. Role of Milk Constituents

1.9 Chocolate
   A. History and Development
   B. Ingredients
   C. Chocolate Manufacturing Processes
1.10 Current Scenario of Dairy Products Segment

A. Dairy Market in India
   • Growing Volumes
   • Potential for Further Growth
   • Marketing Strategy for Dairy Products
   • Emerging Dairy Markets

B. International Market for Dairy Products
TABLES

1.1 World's Top Milk Producers 18
1.2 Composition of Butter 32
1.3 Composition of Cheeses 39
1.4 Detailed Composition of Condensed Milks (In %) 44
1.5 Indian Standard Specification for Condensed Milks 45

FIGURES

1.1 Dairy Map of India 20
1.2 Method of Manufacturing, Packaging and Storage of Butter 33
1.3 Method of Manufacturing, Packaging and Storage of Cheese 40
1.4 Method of Manufacturing, Packaging and Storage of Condensed Milk 46
1.5 Method of Manufacturing, Packaging and Storage of Dairy Whitener 52
1.6 Cocoa growing areas in world 55
1.7 Method of Manufacturing of Chocolate 56

GRAPHS

1.1 Milk Production & Availability 19
1.2 Milk packaging system in organized sector 19
1.2 World's top milk producing countries 19
1.2 Milk utilization pattern in India 19
1.2 Milk: India number one farm commodity 19
1.3 Milk flow from producer to consumers 20
CHAPTER - 2

CORPORATE PROFILE OF MAJOR PLAYERS  67 - 113

2.1 Gujrat cooperative milk marketing federation Ltd. (Amul)- An Overview  68
A. Historical Development  68
B. The Brand Name  74
C. Mission  75
D. Objectives  75
E. Principles  75
F. Commitment  75
G. Main Brands  76
H. Various Activities in Amul  78

2.2 Nestlé India Ltd.- An Overview  82
A. Historical Development  82
B. Mile Stone Years  89
C. Mission  90
D. Objectives  90
E. Core Value  91
F. Preamble  91
G. Corporate Business Principles  91
H. Compliance  92
I. Main Brands  93
J. Various Activities In Nestlé  94

2.3 Britannia Industries Ltd.- An Overview  106
A. Historical Development  106
B. Vision  107
C. Mission  107
D. Philosophy  107
E. Size  107
2.4 Cadbury India Ltd. - An Overview

A. Historical Development
B. Objectives
C. Vision
D. Mission
E. Marketing Philosophy
F. Main Brands
G. Various Departments

TABLES

2.1 Per Share Data
2.2 Sales Analysis
CONTENTS

CHAPTER - 3

CONSUMER BEHAVIOUR IN DAIRY PRODUCTS SEGMENT 114 - 149

3.1 Role and Importance 114
   A. Consumer Behavior Influencing Marketing Strategy 118
   B. Market Analysis 119
   C. Market Segmentation 120
   D. Consumer Decision Process 120

3.2 Factors Influencing Consumer Behaviour 123
   A. Individual Determinants 124
   B. External Environmental Factors 126

3.3 Model of Consumer Behaviour 130
   A. Economic Model 130
   B. Input, Process and Output Model 131
   C. Sociological Model 133
   D. Model of Family Decision-Making 134

3.4 Consumer Behaviour in Dairy Segment 137
   A. Butter Segment 138
   B. Dairy Whitener Segment 139
   C. Cheese Segment 140
   D. Condensed Milk Segment 141
   E. Chocolate Segment 142

3.5 Indian Consumers 143
   A. Emerging Panorama of the Indian Market 143
FIGURES

3.1 A simplified frame work of Consumer Behaviour 117
3.2 Decision Process 122
3.3 Creating a satisfying costumers 122
3.4 Factor Influencing Consumer Behaviour 123
3.5 Factor Influencing Consumer Behaviour classification in four Broad Categories 129
3.6 Input Process and Output Model 131
3.7 Bayer’s Black Box Model 133
3.8 Model of Family Decision Making 136
3.9 The Socio Economic Pyramid of the Indian Population 146
3.10 The Penetration of Products in India 147

TABLES

3.1 The Demographic Picture 143
3.2 Urbanization and Population Density 144
3.3 Literacy Rate in India (1951-2001) 145
3.4 Changing Pattern of Income Distribution 146
3.5 State Wise Comparative Picture of The Population 148
3.6 Profit of the Urban Market 148
3.7 Profile of the Rural Market 149
3.8 Urban Market And Population Size 149
3.9 Zonewise Composition of Rural Market 149
## CONTENTS

### CHAPTER - 4

MARKETING STRATEGY IN DAIRY PRODUCTS SEGMENT  150 - 242

<table>
<thead>
<tr>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Market Targeting</td>
</tr>
<tr>
<td>A. Target Market</td>
</tr>
<tr>
<td>4.2 Marketing Strategies Fall Under Two Generic Categories</td>
</tr>
<tr>
<td>A. Price Based Strategies</td>
</tr>
<tr>
<td>B. Differentiation Based Strategies</td>
</tr>
<tr>
<td>C. Different Firms Adopt Different Strategy Stance as Their Situational Designs Differ</td>
</tr>
<tr>
<td>4.3 Market Mix</td>
</tr>
<tr>
<td>A. Importance of Marketing Mix for A Business Firm</td>
</tr>
<tr>
<td>B. The Four P Components of the Marketing Mix</td>
</tr>
<tr>
<td>C. Marketing Mix Variables/ 4Ps of Marketing</td>
</tr>
<tr>
<td>4.4 Product</td>
</tr>
<tr>
<td>A. Product Levels</td>
</tr>
<tr>
<td>B. Product Mix</td>
</tr>
<tr>
<td>C. Product Strategies</td>
</tr>
<tr>
<td>D. The Total Product Personality and Its Components</td>
</tr>
<tr>
<td>E. The Concept of the Product Life Cycle</td>
</tr>
<tr>
<td>F. Product Life Cycle Stages</td>
</tr>
<tr>
<td>G. Main Task in Product Management</td>
</tr>
<tr>
<td>H. Factors Influencing Change in Product Mix</td>
</tr>
<tr>
<td>4.5 Price</td>
</tr>
<tr>
<td>A. Four Basic Rules for Pricing</td>
</tr>
<tr>
<td>B. The Levels of Price Management</td>
</tr>
<tr>
<td>C. Information Required For Price Setters</td>
</tr>
<tr>
<td>D. Way to Channel Price</td>
</tr>
<tr>
<td>E. Guidelines for Better Pricing Decisions</td>
</tr>
<tr>
<td>F. Procedure for Setting Price Policy</td>
</tr>
</tbody>
</table>
G. Model for Setting Price
H. Strategic Factors in Pricing
I. Pricing Strategies

4.6 Place
A. Distribution: Channel Selection
B. Concept of Channel Distribution
C. Functions Performed by the Marketing Channel Member
D. Important Factors for Channel Selection
E. Role of Middlemen or Intermediaries
F. Type and Nature of Middlemen
H. Distribution Coverage and Channel Control
I. Functions Performed By Distribution Channels
J. Factors Determining the Length of Channel
K. Factors Influencing Distribution Decision
L. Terms and Responsibilities of Intermediaries
M. Criteria for Evaluating Channel Alternatives

4.7 Promotion
A. Objectives of Promotion
B. Promotion-Mix
   1. Product Mix of GCMMF Limited (Amul)
   2. Marketing Mix of GCMMF Limited (Amul)
   3. Product Mix of Nestle India Limited
   4. Marketing Mix Nestle Limited
   5. Product Mix of Britannia Industries Limited
   6. Marketing Mix of Britannia Industries Limited
   7. Product Mix of Cadbury India Limited
   8. Marketing Mix of Cadbury India Limited
### TABLES

4.1 Summary of Product life Cycle 171  
4.2 Marketing strategies 172  
4.3 Nine Price-Quality Strategies 182  
4.4 Choosing Between Penetration And Skim Pricing 188  
4.5 Factors in Choice of Distribution Channel 192  
4.6 Functions Performed by the Marketing Channel Member 193  
4.7 Marketing Functions Performed For Manufacturers/Customers by Intermediaries 194  
4.8 Marketing Flows in the Marketing Channels 197  
4.9 Relative Position of promotional methods 219  
4.10 Customization and Promotional Efforts 220

### GRAPHS

4.1 Product Life Cycle 170
# CONTENTS

## CHAPTER - 5

<table>
<thead>
<tr>
<th>ENVIRONMENTAL SCANNING IN DAIRY PRODUCTS SEGMENT</th>
<th>243 - 275</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 External and Internal Environment</td>
<td>243</td>
</tr>
<tr>
<td>5.2 Sources of Information for Environment Scanning</td>
<td>244</td>
</tr>
<tr>
<td>5.3 Method and Techniques Used For Environment Scanning</td>
<td>245</td>
</tr>
<tr>
<td>5.4 Environment Scanning Factors in the Dairy Segment</td>
<td>246</td>
</tr>
<tr>
<td>A. Organizational Resources</td>
<td>246</td>
</tr>
<tr>
<td>B. Organizational Behaviour</td>
<td>247</td>
</tr>
<tr>
<td>C. Strengths And Weaknesses</td>
<td>248</td>
</tr>
<tr>
<td>D. Synergistic Effects</td>
<td>248</td>
</tr>
<tr>
<td>E. Distinctive Competence</td>
<td>249</td>
</tr>
<tr>
<td>5.5 Dynamics of Internal Environment</td>
<td>249</td>
</tr>
<tr>
<td>A. Organizational Resources</td>
<td>250</td>
</tr>
<tr>
<td>B. Organizational Behaviour</td>
<td>250</td>
</tr>
<tr>
<td>C. Strengths and Weaknesses</td>
<td>251</td>
</tr>
<tr>
<td>D. Synergistic Effects</td>
<td>251</td>
</tr>
<tr>
<td>E. Distinctive Competence</td>
<td>252</td>
</tr>
<tr>
<td>F. Organizational Capability</td>
<td>253</td>
</tr>
<tr>
<td>5.6 Organizational Capability Factors</td>
<td>254</td>
</tr>
<tr>
<td>A. Financial Capability</td>
<td>255</td>
</tr>
<tr>
<td>B. Marketing Capability</td>
<td>256</td>
</tr>
<tr>
<td>C. Operations Capability</td>
<td>257</td>
</tr>
<tr>
<td>D. Personnel Capability</td>
<td>258</td>
</tr>
<tr>
<td>E. General Management Capability</td>
<td>259</td>
</tr>
<tr>
<td>5.7 Strategic Advantage Profile in Dairy Segment</td>
<td>260</td>
</tr>
<tr>
<td>5.8 SWOT Analysis of Indian Dairy Industry</td>
<td>265</td>
</tr>
<tr>
<td>A. Strength</td>
<td>265</td>
</tr>
<tr>
<td>B. Weaknesses</td>
<td>265</td>
</tr>
<tr>
<td>C. Opportunities</td>
<td>266</td>
</tr>
<tr>
<td>D. Threats</td>
<td>267</td>
</tr>
<tr>
<td>5.9 Portfolio Analysis</td>
<td>272</td>
</tr>
</tbody>
</table>
CHARTS

5.1 Strategic Advantage Profile (SAP) of Amul 261
5.2 Strategic Advantage Profile (SAP) of Nestle 262
5.3 Strategic Advantage Profile (SAP) of Britannia 263
5.4 Strategic Advantage Profile (SAP) of Cadbury 264
5.5 SWOT Analysis of Amul 268
5.6 SWOT Analysis of Nestle 269
5.7 SWOT Analysis of Britannia 270
5.8 SWOT Analysis of Cadbury 271
## CONTENTS

### CHAPTER - 6

<table>
<thead>
<tr>
<th>DATA ANALYSIS</th>
<th>276 - 319</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Components Of Research Design</td>
<td>276</td>
</tr>
<tr>
<td>6.2 Consumer Survey</td>
<td>277</td>
</tr>
<tr>
<td>A. Research Objectives</td>
<td>278</td>
</tr>
<tr>
<td>B. Sampling Plan</td>
<td>278</td>
</tr>
<tr>
<td>C. Sampling Procedure</td>
<td>280</td>
</tr>
<tr>
<td>D. Research Instrument</td>
<td>280</td>
</tr>
<tr>
<td>E. Contact Methods</td>
<td>280</td>
</tr>
<tr>
<td>6.3 Experts Opinion</td>
<td>280</td>
</tr>
<tr>
<td>A. Objective</td>
<td>280</td>
</tr>
<tr>
<td>B. Sampling Unit</td>
<td>280</td>
</tr>
<tr>
<td>C. Sampling Procedure</td>
<td>281</td>
</tr>
<tr>
<td>D. Contact Method</td>
<td>281</td>
</tr>
<tr>
<td>6.4 Limitations of The Study</td>
<td>281</td>
</tr>
<tr>
<td>6.5 Data Analysis (Consumer Survey)</td>
<td>282</td>
</tr>
<tr>
<td>6.6 Data Analysis (Experts’ Opinion)</td>
<td>314</td>
</tr>
<tr>
<td>A. GCMMF Limited (Amul)</td>
<td>314</td>
</tr>
<tr>
<td>B. Nestle India Limited</td>
<td>315</td>
</tr>
<tr>
<td>C. Britannia Industries Limited</td>
<td>316</td>
</tr>
<tr>
<td>D. Cadbury India Limited</td>
<td>316</td>
</tr>
</tbody>
</table>
TABLES

6.1 Locations for Conducting the Survey 279

GRAPHS

6.1 Age Group of Users of Branded Dairy Product(S) 282
6.2 Occupation of Users of Branded Dairy Product(S) 283
6.3 Income Group of Users of Branded Dairy Product(S) 284
6.4 Number of Users of Branded Dairy Product(S) 285
6.5 Number of Users of Branded Butter 286
6.6 Number of Users of Branded Cheese 287
6.7 Number of Users of Branded Condensed Milk 288
6.8 Number of Users of Branded Dairy Whitener 289
6.9 Number of Users of Branded Chocolate 290
6.10 Source of Information 291
6.11 Availability of Butter 292
6.12 Availability of Cheese 293
6.13 Availability of Condensed Milk 294
6.14 Availability of Dairy Whitener 295
6.15 Availability of Chocolate 296
6.16 Opinion about Price of Butter Vis-À-Vis Quality 297
6.17 Opinion about Price of Cheese Vis-À-Vis Quality 298
6.18 Opinion about Price of Condensed Milk Vis-À-Vis Quality 299
6.19 Opinion about Price of Dairy Whitener Vis-À-Vis Quality 300
6.20 Opinion about Price of Chocolate Vis-À-Vis Quality 301
6.21 Purchasing Frequency of Dairy Products 302
6.22 Opinion about the Packaging of Dairy Products 303
6.23 Satisfaction Level - Perception about Butter 304
6.24 Satisfaction Level - Perception about Cheese 305
6.25 Satisfaction Level - Perception about Condensed Milk 306
6.26 Satisfaction Level - Perception about Dairy Whitener 307
6.27 Satisfaction Level - Perception about Chocolate 308
6.28 Effectiveness of Advertisement about Butter 309
6.29 Effectiveness of Advertisement about Cheese 310
6.30 Effectiveness of Advertisement about Condensed Milk 311
6.31 Effectiveness of Advertisement about Dairy Whitener 312
6.32 Effectiveness of Advertisement about Chocolate 313
CONTENTS

CHAPTER-7

FINDING AND CONCLUSION  

7.1 Findings (Consumer Survey)  
   A. Butter  
   B. Cheese  
   C. Dairy Whitener  
   D. Condensed Milk  
   E. Chocolate  

7.2 Findings (Experts' Opinion)  

7.3 Marketing Strategy Statement  
   A. Marketing Strategy Statement of Amul  
   B. Marketing Strategy Statement of Nestle  
   C. Marketing Strategy Statement of Britannia  
   D. Marketing Strategy Statement of Cadbury  

7.4 Marketing Memo  
   Comparative Analysis of Organizational Capability  
   (Amul, Nestle, Britannia & Cadbury)  

7.5 Conclusion and Suggestions  
   A. Amul  
   B. Nestle  
   C. Britannia  
   D. Cadbury  

7.6 Indian Dairy Industry Has To Offer To Foreign Investors  
   A. Biotechnology  
   B. Dairy/ Food Processing Equipment  
   C. Food Packaging Equipment  
   D. Distribution Channels  
   E. Retailing  
   F. Product Development  
   G. Ingredient Manufactures  
   H. Technology Driven Manufacturing Units  
   I. Training Centers for Continuing Education