
A study of Marketing strategies for Gowardhan Milk in Maharashtra state

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Introduction

Milk is recognized as the most valuable and whole- some food for man, being nutritive as well as a protective food. Throughout the world, there are more than 6 billion consumers of milk and milk products, the majority of them are in developing countries. Over 750 million people live within dairy farming households. World's dairy farms produced about 720 million tone of milk in 2010. India is the world's largest producer and consumer of milk. New Zealand and Australia are the world's three largest exporters of milk and milk products. China, Mexico and Japan are the world's largest importers of milk and milk products. Milk is a key contributor to improving nutrition and food security particularly in developing countries. Improvements in livestock, dairy technology and milk quality may offer the most promise in reducing poverty and malnutrition in the world.

India is a largest milk producer in the world, in the 1968-69 milk production was only 21.2 million tones it increase to 104.8 million tons in 2007-08. This of course must be attributed in great measure to Operation Flood and the historic Co-operative movement. Operation flood was launched in 1970; Operation Flood has helped dairy farmers direct their own development, placing control of the resources they create in their own hands. A National Milk Grid links milk producers throughout India with consumers in over 700 towns and cities, reducing seasonal and regional price variations while ensuring that the producer gets a major share of the consumers' rupee. The main objectives of 'Operation Flood' were to increase the milk production and augment of rural income. India is developing very fast, and the people in India have started living a better life and have started eating better food. From morning to evening, you have milk based products such as milk with breakfast; curd, paneer, butter milk, lassi with lunch; cheese in sandwich or burgers that one has for snacks; and again in the night milk and other milk based products are consumed. If one calculates roughly, all this will account to 30-35 percent of your daily grocery needs.

Milk Production:

India continues to be the largest producer of milk in world. Several measures have been initiated by the Government to increase the productivity of livestock which has resulted in increasing the milk production significantly to the level of 102 million tonnes at the end of the Tenth Plan (2006-07) as compared to 53.9 million tonnes in 1990-91. The production of milk in 2010-11 was 121.8 million tonnes as compared to 116.42 million tonne in 2009-10 indicating growth of 4.66%.

Most of the milk is produced in rural areas, while the profitable market for milk and its products is largely urban markets. In view of these peculiar problems it has been rightly recognized by the Planning Commission that "producer's co-operatives should be organized in villages to supply milk to the urban milk supply schemes, milk powder making plants and to the consumers". This would not only ensure adequate supplies of fresh milk to the urban consumers but also bring profitable returns to the producers. In spite the milk co-operative dairies in the country they were not able to manage the demand supply of milk and milk products and hence the Government permitted private players to enter into this business.

Dairy Development in Maharashtra:

The State ranks sixth in India in milk production. During 2010-11, the production of milk was 7.7 million MT and the per capita daily availability was 190 gms at the State level while the production of milk was 112 million MT and the per capita daily availability was 264 gms at All-India level. During 2011-12, the milk production is reached at 7.9 million MT. During 2009-10, there were 74 milk processing plants and 129 government /co-operative milk chilling centers with capacity of 80.5 lakh litres per day and 22.5 lakh litres per day respectively.

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The average daily collection of milk by the Government and co-operative dairies taken together (excluding Greater Mumbai) was 34.74 lakh litres during 2009-10 and 34.09 lakh litres during 2010-11 (upto October, 2010).

The Gowardhan Milk Dairy:

In an ordinary village, a four hour drive away from Mumbai, Manchar, Dist Pune exists two of the country's youngest brands, Gowardhan and Go, This is the brain child of Mr. Devendra Shah.

This business was not open for private players and was ruled by the license raj which gave the milk procurement right only to state agencies and cooperatives. In 1991, the then Finance Minister Manmohan Singh announced de-licensing policy which included the dairy sector. The extensive ranges of the products are processed at this ultra modern dairy. The dairy plant is fully automated of international standards and equipped with the best European technology. Right from reception of milk to the finished product, the company maintains strict no-human- contact through the entire manufacturing process. The plant churns out 1,000,000 liters of milk per day, has an output capacity upto 10 MT of butter, 25 MT of ghee and 10 MT of dahi (yoghurt) and 65 MT of milk powder. The dairy Farm is spread over 35 acres housing 3,800 Holstein Freisens breed of cow. With plans to take the Indian cheese and curds market head on; the company has touched a turnover of 550 cr. in the financial year 2009-2010. Milk Foods, which deals in only 100 % cow's milk and milk products, and owns the 'Gowardhan' in 1989-91, around the time of Operation Flood; there was huge deluge of milk produce in Maharashtra, as was the case all over India. The Govt had declared "milk holidays" and grasping this opportunity the company build a global dairy products business. While there were government organizations and cooperatives in place, there was large number of farmers with cows whose produce was not getting sold, which lead to wastage of their produce. The dairy initially was started with 30,000 liters and currently has the numbers at 10-12 lakh liters. Over the period, the company has diversified into products such as ghee, cheese, and more. The dairy is currently managing one of India's largest cattle farm and Asia's largest cheese plant.

Gowardhan manufactures dairy products that are not just 100% natural, but also lighter and rich in calcium. That's because the milk, procured from its own cow farm - the largest in Asia - is 100% natural cow's milk. What's more, the use of latest European technology in our manufacturing units ensures superior quality and freshness of our products, giving them the unique Gowardhan taste and flavor. The commitment to quality and innovation has resulted in huge investments in infrastructure and technology. The integrated dairy and cow farm at Manchar is rapidly scaling up to cater to the ever expanding circle of customers in India, who seek all-natural, wholesome and delicious dairy products.

Exports:

Gowardhan after getting success in the domestic market the dairy is exporting milk powder, butter and butter oil, anhydrous milk fats and ghee to 27 countries in the Middle East, South East Asia and Africa. The company is soon going to include cheese in the product mix. Some of the significant customers include Yakult for the skimmed milk powder and BEL, Morocco (world famous manufacturers of cheese) The Go Chees is the product which is highly demanded in Bhutan.

Institutional Sales:

Gowardhan is a one-stop, efficient and reliable supplier to reputed hotels, restaurants, institutions and caterers. The wide range of products which the company supplies include cheese, butter, ghee and milk powder. Each of these products comes with the Gowardhan assurance of purity and quality. The company is having a national tie-up with companies like Baskin Robins, Barista, and Café Coffee Day etc. To grab the opportunity in the market the company has also expanded the retail presence significantly Gowardhan and Go brands of are now available at large retailers and modern retail outlets, reaching out to more and more customers with the promise of a healthy, active life products.

Product Rang:

The brands cover a wide range of products to cater to consumers around the world who put a premium on taste, nutrition, health, craftsmanship and sheer indulgence. Innovation, constant study of the markets and observations about the food habits in this country were observed and to fulfill the need of the customer

this plant was started in 1992. Eyeing an opportunity and working on it. The plant is manned by experts from the U.K. and the U.S.A.

Quality Control the mantra of success:

To ensure that the products are consistent in taste and nutrition the plant implemented a multistage quality control program through the entire production process. This begins on the farms and ends with a final check of the packaged product. The real proud is that all the efforts have been recognized and accredited by government agencies worldwide. The company is an ISO 9000 certified company and also US FDA registered. The plant is only brand in India to have obtained the ISO 15161 certification from New Zealand.

Future Extension:

With plans of going national and introducing a slew of innovative products into the market, Gowardhan is adding two more production centers one in Palamner, on the outskirts of Bangalore and another in Srirampur, Ahmednagar of Maharashtra each with a milk processing capacity of 500,000 liters a day.

Niche marketing of cow milk in Mumbai:

After expensively packaged bottled drinking water, milk seems bent on acquiring the “luxury” tag. People have become very health conscious and have shown a lot of interest. State-of-the-art technology and temperature controlled logistics make it the first of its kind in the category Gowardhan, a private dairy, has targeted the niche luxury milk sector and has signed up a select group of South Mumbai families to avail Pride of Cows, its new milk delivery initiative.

The milk comes from a herd of specially-imported Jersey-Holstein cross-bred cows. The brand is available in one-litre bottles priced at Rs. 75 per litre, a jump from the average price of Rs 35 per litre. To maintain the quality of milk the cows are being given a special diet that abounds in iron, vitamins and Omega-3 fatty acids.

Trained, uniformed delivery staffs are transporting the milk from Gowardhan’s Bhagalaxmi Dairy Farm near Pune to the homes of South Mumbai in a refrigerated vehicle. The South Mumbai families were selected following a survey done by the company. “The milk is instantly pasteurized, chilled and packaged in bottles with no human contact to ensure that the milk is hygienically procured. In fact, every cow goes through an electronic health check up every time it is milked, to ensure that it is at peak health for milking,

Launches new range of ‘Go’ cheese products

Gowardhan Dairy, one of largest private dairies in India, recently has launched a new cheese brand, ‘GO’ Cheese. The brand will bring in a range of delicious cheeses and cheese products such as cheddar, mozzarella, spreads, wedges and powders for the Indian consumer, which will all be prepared from 100 per cent cow milk. The cheese products introduced through the 'GO' Cheese range have been made in Gowardhan's cheese manufacturing facility at Manchar. The plant is Asia’s largest cheese manufacturing facility with a daily production capacity of over 40 tonne.

As far as the market of cheese is concern the growth is at around 40-45 percent. There is a booming market of food chains such as pizza outlets (Dominoes, Pizza Hut, and others), restaurants like Ruby Tuesday, and many other food joints that serve Italian food. All these places need a constant and heavy supply of cheese. Mostly, this requirement is fulfilled by importing cheese from other countries, because there are no local players focusing on this market. Grasping this opportunity that is lying untapped here and hence ventured out with an array of cheese based products. The company has recently launched a very high end cheese under the brand name of GO in variety of forms like Processed Cheese, Cheese slices, Cheese Spread Plain, Pizza Cheese & Cheese powder. Internationally, there are about 350 varieties of cheese. The dairy is determined to bring in as many varieties as possible under our brand Go.

Conclusion:

From the early days, milk production was entirely on a decentralized basis and the collection of milk was by private marketing agencies. Due to the absence of a system of dairying based on commercial rural milk production, collection, bulk transportations, processing and marketing of milk and milk production to meet the demand of the growing population, the gap between demand and supply in cities continued to grow and acute shortage was felt in many areas. Then after the milk supply was centralized to the co-operative milk organization, but this organization where not able to manage the demand and supply. Taking into consideration the need and demand of the people the milk business was open for the private players in 1993 and the increasing and expansion of Gowardhan as a successful entrepreneur is in front of the society.

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