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As competition intensifies, Amul steps up efforts to remain ‘The Taste of India’

By: [Lalitha Srinivasan](#) | Mumbai | December 29, 2014 9:29 am

To sustain its leadership in the branded dairy sector in India, Gujarat Co-operative Milk Marketing Federation (GCMMF), which sells Amul dairy products, is expanding its distribution and processing capacity in 2015.

On the other hand, Amul's rival Mother Dairy is betting big on innovations to fight competition. The market dynamics will soon change in the branded dairy and fruit juice sectors in India with the entry of ITC.

In the packaged fruit juice sector, Dabur India with 60% market share is expanding its distribution by 25%, while PepsiCo India is leveraging its global expertise to expand the brand franchise. Parle Agro, the maker of Appy is focusing on sales transformation programmes and packaging initiatives to drive volumes.

With increasing competition, these two sectors will witness a lot of action in 2015. On Amul's strategic plans, RS Sodhi, managing director of GCMMF said, "We are adding more people to our distribution team. Also, we are setting up new milk depots. We are expanding our distribution and processing capacity by 12 % in 2015."

With sales turnover of R22,000 crore (FY14), Amul is sharpening focus on its research & development projects to launch innovative products.

"We are launching a new product almost every month. We are also scaling up our supply chain system for efficient distribution," said Sodhi.

Leveraging the strength of its sales & distribution network, ITC is expected to roll out its dairy products and juices in the next few months. Incidentally, ITC is planning to spend around R900 crore for its foray into these two sectors.

Meanwhile, Mother Dairy is expanding its operations in Hyderabad and Chennai as part of its strategy. "We are extending our foot print in southern states. We are scaling up our sales operations, We are planning to add 12,000 retail outlets by 2016," said Sandeep Ghosh, business head-milk, Mother Dairy Fruit & Vegetable.

At present, Mother Dairy has 50,000 retail outlets across the country. Like Amul, Mother Dairy is also focusing on innovative products to woo consumers.

Competition seems to be hotting up in the R1,500- crore packaged fruit juices sector too with the entry of ITC.

On Dabur's growth plans, Sunil Duggal, CEO of Dabur India said, "We will be expanding our distribution by 25 % in 2015. We plan to build value in our juice brands to launch new products like fortified juices. We plan to launch a slew of sales initiatives to drive volumes."

Across the road, PepsiCo India is getting ready to launch new variants of Tropicana with health benefits in 2015. "Our core focus is on leveraging our global expertise to expand the brand franchise by educating consumers on fruit nutrition," said a spokesperson from PepsiCo India.

"There's a growing demand for packaged fruit juices in smaller cities and towns in India. Tropicana has been leveraging this opportunity by increasing its footprint on the back of its larger CSD footprint (Canteen Stores Dept) and building a differential focus on this segment through GTM (Go To Market) investments," he added.

On Parle Agro's strategy, Nadia Chauhan, joint managing director of the company said, "We are looking at strengthening our market share through strategic price-points, penetrative SKUs and new brand communication for Appy and Appy Fiz."