

SWOT ANALYSIS AND STRATEGY FORMULATION FOR URBAN DAIRY CONSUMERS IN GUJARAT

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ABSTRACT

Dairying has become an important secondary source of income for more than 15 million rural families and has assumed an important role in providing employment and income generating opportunity for the most vulnerable sections of our population. For millions of small and marginal farmers as well as landless labourers, milk production provides ready cash in hand for fulfilling their daily household requirements. The present study covered all districts HQs of the state and information was collected by using questionnaire. After analyzing the collected data it could be it can be concluded that policies such as- A policy to educate the urban consumers about the harmful effects of loose milk on health., Include this topic in primary school syllabus, allow selling of milk only after processing and packaging,, Strictest punishment for selling loose /adulterated milk/ noncompliance with FSSAI standards, reward /award best Dairy milk union/ dairy plant on the basis of ‘Consumer survey’, and enable consumers by providing a toll-free number / **Dairy Mobile app** / or other ICT tool to place their issues of non-availability of dairy products in their area, starting a dairy outlet, serious complain about dairy product/dairy plant, should be started.

KEYWORDS: Dairy Consumers, dairy strategies and policy, SWOT analysis, strategy formulation

INTRODUCTION

SWOT Analysis and Strategy Formulation

Although definitions differ, there is general agreement that a strategy describes the general direction in which an organization plans to move to attain its goals. Every well-managed organization has one or more strategies, although they may not be stated explicitly. A firm develops its strategies by matching its core competencies with industry opportunities. The following diagram lays out schematically the development of a firm’s strategies. Kenneth R. Andrews advanced this basic concept. According to Andrews, strategy formulation is a process that senior executives use to evaluate a company’s strengths and weaknesses in light of the opportunities and threats present in the environment and then to decide on strategies that fit the company’s core competencies with environmental opportunities (Anthony and Govindrajana, 2011)

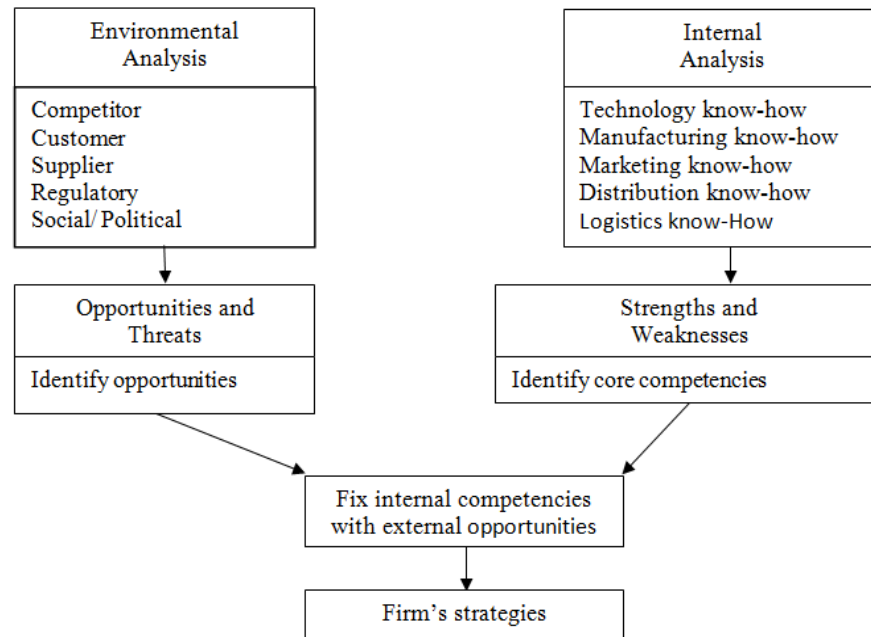


Figure: 1

STRATEGY FORMULATION PROCESS

Source: Management Control Systems by Anthony and Govindrajana (2011), page 57.

Analysis of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) That Affect Organizational Performance

Strengths: Positive internal characteristics that the organization can exploit to achieve its strategic performance goals.

Weaknesses: Internal characteristics that might inhibit or restrict the organization's performance.

Opportunities: Characteristics of the external environment that have the potential to help the organization achieve or exceed its strategic goals.

Threats: Characteristics of the external environment that may prevent the organization from achieving its strategic goals.

INDIAN DAIRY SECTOR

Dairying has become an important secondary source of income for more than 15 million rural families and has assumed an important role in providing employment and income generating opportunity for the most vulnerable sections of our population. For millions of small and marginal farmers as well as landless labourers, milk production provides ready cash in hand for fulfilling their daily household requirements.

In India, milk production is scattered in large number of villages in small quantity of two to four liters by milch animals. The average milk production per animal per lactation is around 1400 liters which is much below the world average of 2300 liters. (Rajorhia, G.S.2013) The milk productivity of crossbred cows, Indigenous cows and of buffaloes in India is very low. It is 6.45, 1.97 and 4.3 Kg per day respectively. The unorganized sector comprises of numerous small

and /or seasonal milk producers/trader (popularly known as halwais).

METHODOLOGY

The study was being spread over the entire state and primary data was collected by way of a Questionnaire. The study covered all 26 Districts of Gujarat state, 227 talukas and further, three villages were selected from each taluka. The data was collected from respondents residing and consuming dairy products in Taluka Head Quarters.

RESULTS AND FINDINGS

After analyzing the data, the following SWOT analysis was carried out.

Table 1: Strategy Formulation For consumer (Urban) In Gujarat Dairy Sector

Internal Analysis		Environmental Analysis	
Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Young and literate consumers. • Increasing incomes and changing lifestyles of consumers. 	<ul style="list-style-type: none"> • Less awareness about quality aspects, nutritional and health benefits of dairy products. • Many consumers in the urban area still prefer loose milk. 	<ul style="list-style-type: none"> • FDI and entry of foreign dairy players. • Imminent implementation of GST (Goods and Service Tax) may benefit the consumers. • Spread of ICT in the country can help consumers to become more aware of products and competitors 	<ul style="list-style-type: none"> • Population at large is least concerned about quality in food habits. • Consumers generally have insensitive attitude towards balanced diet.



Suggested Strategies
<ol style="list-style-type: none"> 1) Create awareness of the urban consumers about benefits of processed milk (i.e Pasteurized milk) and milk products. (Because a major source of adulteration is the unorganized sector and the adulterant are extremely harmful to consumers). 2) Create awareness about the nutritional and health benefits of milk and milk products, especially value added products, probiotics and nutritional products like Amul-Pro. (This will help the consumers to get rid of the myths about milk and hence he will take knowledge based decision instead of perception based decision.) 3) Consumer feedback about milk & milk products, availability, customer service, customer satisfaction should be conducted regularly.

STAKEHOLDER: URBAN RETAILERS

In order to ensure that most of the above mentioned strategies get implemented in the intended area, the following policy /policy guidelines have been framed

Table 2: Stakeholder: Consumer (Urban)

	Findings	Suggested Policy CONSUMER (Urban)	Output
1	<p>Less penetration of organized dairy sector in Urban area</p> <ul style="list-style-type: none"> • Around 36% of the consumers (urban) bought Packed milk and 64% consumed 'loose milk' 	<ul style="list-style-type: none"> • A policy to educate the urban consumers about the harmful effects of loose milk on health. • Include this topic in primary school syllabus. • A policy to allow selling of milk only after processing and packaging. • <u>Strictest</u> punishment for selling loose /adulterated milk/ noncompliance with FSSAI standards. 	<ul style="list-style-type: none"> • The ultimate goal of providing safe, healthy, nutritious and affordable food to the consumers will be achieved.
2	<p>Age Profile</p> <ul style="list-style-type: none"> • Around 85% of the consumers (urban) were in the category of young to middle-aged 	<ul style="list-style-type: none"> • A policy to educate the urban consumers about the harmful effects of loose milk on health • Awareness of value-added dairy products, health focussed dairy products (Probiotics) can be increased by targeting these consumers. 	<ul style="list-style-type: none"> • Overall health benefits to the consumers. • Increased sales of milk and milk products will ultimately benefit the Milk Producers/Dairy farmers.
3	<p>Perception about Amul</p> <ul style="list-style-type: none"> • Around 80% of the consumers (urban) indicated that their perception about quality of Amul Milk and Milk Products was in the range of "Good to Very Good". 	<ul style="list-style-type: none"> • A policy to reward /award best Dairy milk union/ dairy plant on the basis of "Consumer survey". 	<ul style="list-style-type: none"> • Maintaining the brand image, trust and faith of consumers is utmost important in Food Business.
4	<p>Growth Parameters</p> <ul style="list-style-type: none"> • Growth in number of different dairies which provide a range of dairy products. • Availability of Probiotic dairy products has increased in India. • Availability of modern dairy products (even cheeses from foreign countries). 	<ul style="list-style-type: none"> • A special TV show/ TV channel or /Existing agricultural channel/ existing food cookery channel should be utilised to popularise the benefits and recipes of dairy products. 	<ul style="list-style-type: none"> • Consumption of dairy products will increase which will ultimately benefit the milk producers.
5	<p>Growth Inhibiting Issues</p> <ul style="list-style-type: none"> • Problem of rise in price of milk & Milk products • Non- availability of branded Milk- products • Non- availability of branded Milk 	<ul style="list-style-type: none"> • A policy to enable consumers by providing a toll-free number / Dairy Mobile app / or other ICT tool to place their issues of non-availability of dairy products in their area, starting a dairy outlet, serious complain about dairy product/dairy plant, should be started. • Policy to promote innovative approaches in – new business models, new ways of distribution etc., such as mobile based marketing solution, man and machine interact by leveraging the multilingual speech recognition, voice biometrics, and smart mobile technology etc. 	<ul style="list-style-type: none"> • Regular Sharing/Connecting with the consumers

CONCLUSIONS

After analyzing the collected data it could be concluded that policies such as- A policy to educate the urban consumers about the harmful effects of loose milk on health., Include this topic in primary school syllabus, allow selling of milk only after processing and packaging., Strictest punishment for selling loose /adulterated milk/ noncompliance with FSSAI standards, reward /award best Dairy milk union/ dairy plant on the basis of ‘Consumer survey’, and enable consumers by providing a toll-free number / **Dairy Mobile app** / or other ICT tool to place their issues of non-availability of dairy products in their area, starting a dairy outlet, serious complain about dairy product/dairy plant, should be started.

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