A Study on the SWOT Analysis and Marketing Strategies of Milma

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Abstract: SWOT analysis is a study undertaken by an organization to identify its internal strengths and weaknesses, as well as its external opportunities and threats. What makes SWOT particularly powerful is that, with a little thought, it can help you uncover opportunities that you are well-placed to exploit. And by understanding the weaknesses of your business, you can manage and eliminate threats that would otherwise catch you unawares. More than this, by looking at yourself and your competitors using the SWOT framework, you can start to craft a strategy that helps you distinguish yourself from your competitors, so that you can compete successfully in your market. Marketing strategy is a plan of action designed to promote and sell a product. The SWOT analysis provides information that is helpful in matching the firm’s resources and capabilities to the competitive environment in which it operates. As such, it is instrumental in strategy formulation and selection.

This study intends to explore the SWOT analysis on MILMA, the major players in milk industry of Kerala.

Key Words: SWOT analysis framework, Matrix, Internal analysis, Milk producers, MILMA

I. Introduction

Indian dairy sector has come a long way during the past independence era of accrued milk shortage & dependent on foreign aid in the form of milk powder. To meet the growing milk demand in India the dairy sector in India has shown remarkable development in the past decade & India has shown now one of the largest producers in the world.

The world famous ‘ANAND’ milk union ltd. Popularly known as AMUL was established in 1946 and the National Dairy Development Board (NDDB) was set up in 1965. Kerala Co-operative Milk Marketing Federation (KCMMF) popularly known as MILMA was established in April 1989. In Kerala there are many dairy co-operative including ANAND pattern societies functioning under KCMMF.

ANAND is a village of farmers in Kaira district of Gujarat. It is a village of farmers and such a large quantity of milk is produced in this village but the sale of milk is a big problem. So the farmers formed co-operative societies for the purpose of distribution of milk with the Kaira milk producers. The primary objective was to strengthened the dairy co-operative society at village level both financially and institutionally. Dr. Vargees Kurian has been able to make major breakthrough in dairy, this resulted in the formation of AMUL (ANAND milk union limited).

Kerala co-operative milk marketing federation Ltd (KCMMF), popularly called ‘MILMA’ was established in April 1980 with its head office at Trivandrum. It has three regional units at Trivandrum, Ernakulam, and Kozhikode. The Malabar regional co-operative milk producers union (MRCMPU) was established in 1990. It has five dairies in Malabar region they are Kozhikode, Palakkad, Wayanad, Kannur, Kasargod and has APCOS (Anand pattern co-operative societies) units in six districts(Kasargod, Kannur, Kozhikode, Wayanad, Malappuram and Palakkad). The Palakkad dairy has two chilling plant, one at Pattambi and other at Attappadi.

The motto of co-operative ‘All for Each and Each for All’ is the foundation of ‘three tier system’ followed by the organization at the village level. We have the village milk co-operative societies which have the local milk producers as its members. These unions are federated at the state level to form state federation namely Kerala co-operative milk marketing federation (KCMMF).

Milk and milk products are sold in the brand name MILMA. The MILMA project is developed by the support of Swiss government for the social economy and development of farmer’s. The mission of MILMA is ‘Farmers Prosperity through Consumer Satisfaction’. Malabar regional co-operative milk procedures union ltd is union of more than1000 village level dairy co-operative societies located in the 6 northern districts of Kerala state. To channelize marketable surplus milk from the rural areas to deficit areas are to maximize the returns to the producers & provide quality milk & milk producers to the customers. To provide assured year round market & stable price to the dairy farmers for their produce.
The main aim for choosing the topic ‘SWOT analysis and marketing strategies of MILMA’ is to analyses the strength, weakness, opportunity, and threats of MILMA and also to know the various marketing strategies adopted by MILMA.

**SWOT analysis** is a structured planning method used to evaluate the **Strengths**, **Weaknesses**, **Opportunities**, and **Threats** involved in a project or in a business venture. A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. The technique is credited to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies. The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit.

Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization.

- **Strengths:** characteristics of the business or project that give it an advantage over others.
- **Weaknesses:** characteristics that place the business or project at a disadvantage relative to others
- **Opportunities:** elements that the project could exploit to its advantage
- **Threats:** elements in the environment that could cause trouble for the business or project

The following diagram shows how a SWOT analysis fits into an environmental scan:

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<table>
<thead>
<tr>
<th>SWOT Analysis Framework</th>
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<tbody>
<tr>
<td>Environmental Scan</td>
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<tr>
<td>Internal Analysis</td>
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<tr>
<td>External Analysis</td>
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<tr>
<td>Strengths Weaknesses</td>
</tr>
<tr>
<td>Opportunities Threats</td>
</tr>
<tr>
<td>SWOT Matrix</td>
</tr>
</tbody>
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Identification of SWOTs is important because they can inform later steps in planning to achieve the objective. First, the decision makers should consider whether the objective is attainable, given the SWOTs. If the objective is *not* attainable a different objective must be selected and the process repeated. Users of SWOT analysis need to ask and answer questions that generate meaningful information for each category (strengths, weaknesses, opportunities, and threats) to make the analysis useful and find their competitive advantage.

**OBJECTIVES OF THE STUDY**
- The primary objective is to conduct SWOT analysis and to identify marketing strategies of MILMA.
- To understand the present strength, weaknesses, opportunities, threats and marketing strategies and measures, adopted by MILMA for increasing the sale of products.
- To study the factors which influence the customers most while purchasing of MILMA products.

**RESEARCH METHODOLOGY**
A research design is the arrangement of conditions for collecting and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure.”Research design is the conceptual structure within which the research is conducted. Hence the research design chosen is descriptive research design.

Primary data was collected from the marketing department of MILMA PALAKKAD through questionnaire and observation. Secondary data is collected from the previous study, company records magazines and the journals and book.

Research instruments were questionnaire and informal interviews. In this research the total population size is 100 customers of MILMA. From total population sampling size is 50.

**DATA ANALYSIS**
The SWOT analysis will always give a route map for any kind of businesses. It is a universally accepted theory of business. The following data analysis were conducted to identify some of the SWOT components. Given below are the only major part of the study in its simplest form.

The table number 01 shows the mind of selected customers regarding the selection of milk product’s brand considering while purchasing.
When thinking about buying milk products 80% of the respondents are opting MILMA rather than any other brands. Only 20% of the respondents prefer all other brands. This unimaginable reply from the respondents shows the future prospects of the company.

The following table shows the data about the opinion of customers to think about the competitors products. The results drawn are really magnificent.

<table>
<thead>
<tr>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>16%</td>
</tr>
<tr>
<td>No</td>
<td>42</td>
<td>84%</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
</table>

84% of the respondents think that MILMA products are better than the competitors’ products and only 16% of the respondents are of the opinion that competitors’ products are better than MILMA products. The opinion shows the quality of service and products provided by the MILMA and it ultimately shows the credibility of the firm.

The satisfaction level of customers was also collected as part of the study. This is because of the importance of customer satisfaction in success of any organization as well as business.

<table>
<thead>
<tr>
<th>Options</th>
<th>No. of Respondents</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Yes</td>
<td>38</td>
<td>76%</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>24%</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
</table>

76% of the respondents are satisfied with benefits provided by MILMA however 24% of the respondents say that MILMA does not provide better benefits than its competitors in the market. More than three quarter of the customers are favoring the company. It is really strength of the company.

For any business there is both boon side as well as problem side. The table below shows the problems faced by MILMA in connection with customers. The opinion is collected from the customer’s point of view.

<table>
<thead>
<tr>
<th>Options</th>
<th>No. Of Respondents</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Management of Supply</td>
<td>40</td>
<td>80%</td>
</tr>
<tr>
<td>Competitors</td>
<td>10</td>
<td>20%</td>
</tr>
<tr>
<td>Disease found in cattle’s</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Difficulty to explore the interior areas</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100%</td>
</tr>
</tbody>
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Most of the respondents, i.e., 80% of them are of the opinion that Management of Supply of MILMA products is one of the major problem faced by the brand and 20% of them are of the opinion that competition is the major problem faced by MILMA. None of them said that the diseases found in cattle’s or the Difficulty to explore the interior areas, contributed to the list of problems faced by MILMA.

**SWOT Analysis**

**STRENGTH**
- District wise it is the largest agricultural area of Kerala; therefore here the milk production is also very high quality
- Availability of resources is high.
- Purchasing power of consumer is increasing with growing economy of middle class people.
- Increasing demand for milk production since milk consumption is a regular part of our diet.
- Sales in diversity in different places.
- Large number of commercial and hi – tech farms are coming up
- More financial stability of common people
24 hours milk service

**WEAKNESSES**
- Management of flesh and lean is not possible during the milk production is high & low
- Large number of competitors
- Diseases to cattle
- High cost of production
- Supply to interior places is not possible
- Unable to meet the demand in rural areas

**OPPORTUNITY**
- There are lot of wastelands, which can be used properly for fodder cultivation
- Increased export potential for indigenous milk products
- There is a demand for dairy products in townships, villas, colonies and apartments

**THREAT**
- Large Competitions
- FMD diseases are increasing
- Fragmentation of land switch on to other jobs
- Liberalization

**II. Conclusion**

The study was conducted to study the “The SWOT analysis and marketing strategies of MILMA in Kerala State with special focus to Palakkad district. The sample consists of 50 customers in the major towns of district. The study drawn a conclusion that, consumer are satisfied with most of the MILMA product. The SWOT analysis done for the company based on primary data from customers of Palakkad district states that, there are numerous numbers of strengths and opportunities for the company. While compared to the strengths and opportunities, the weaknesses and threats are milder. The fast moving mentality of the company along with the fast changes is the main advantage of the company.

**References**