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Production, Marketing and Brand Positioning of Milk and Milk Products of Ajmer Dairy in Rajasthan

Sangita Borah[1], Saurabh Sharma[1], Manashi Gogoi[1], Nilotpal Borthakur[1]

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ABSTRACT

Background: Considering the growing demand for milk and competition among different brands available in the market it is important to analyze the product positions in markets. The study was conducted to examine the production, marketing and brand positioning of different milk and milk-based products produced by Ajmer Dairy in Rajasthan. Their products were compared with other popular brands available in the state.

Methods: For the study, primary data were collected from the organization to know the production pattern and marketing of the milk by Ajmer Dairy. Brand positioning was analyzed by collecting information directly from the consumers of different available milk brands in Rajasthan.

Result: The study revealed that procurement, processing, production and marketing of milk and milk products were done under the brand name of "SARAS" by Ajmer dairy. The union has 416 milk booths to distribute milk in the entire state. Saras Milk Parlours serves a complete range of milk products to the customers through these booths. It was identified that the organization used two marketing channels for the marketing of milk and milk products. The analysis of brand positioning reflected that loose milk of the SARAS brand was highly preferred consumer product due to its high quality and ease of availability. Products like Ghee, Lassi and buttermilk of SARAS also hold a top brand positioning in the market, compared to other available brands like AMUL and PAAYAS of Rajasthan.

Key words: Brand position, Consumer perceptions, Marketing channels, Milk products Marketing, Production pattern.

INTRODUCTION

The Indian dairy sector has experienced remarkable growth over the years, positioning the country at the forefront of global milk production. In the fiscal year 2023-24, India recorded an impressive milk production of 239.3 million tonnes (3.77 per cent) increase in growth from the previous year's production of 230.6 million tonnes (Basic Animal Husbandry Statistics, MoFAHD, DAHD, GoI). Dairy and milk production have emerged as pivotal economic activities within rural regions, providing a supplementary stream of income and employment opportunities in the country (GoI, Annual Report, 2022-2023). With the increasing demand for superior-quality milk products and its brands, customer expectations and satisfaction levels are diversifying (Chaturvedi *et al.,* 2024). Brands originated from many cooperatives now symbolize both quality and value over the years. Renowned names such as Amul (GCMMF), Vijaya (AP), Verka (Punjab), Saras (Rajasthan), Nandini (Karnataka), Milma (Kerala) and Gokul (Kolhapur) enjoy the trust and confidence of consumers, representing the epitome of reliability in the market.

As per the State Cooperative Database Rajasthan had 18121 dairy cooperative societies which comprise 44.57 per cent of total cooperative societies in the state. (cooperatives.gov.in). These dairy cooperatives play an important role in income and employment generation in Rajasthan (Meena *et al.,* 2009). Rajasthan has the second-highest number of dairy cooperative societies after Uttar Pradesh (cooperatives.gov.in). Considering the prominent role of the milk industry in Rajasthan's economy, the present study was undertaken to get in-depth information on the Production, Marketing and Brand positioning of milk and milk products of Ajmer dairy in Rajasthan.

[1]Department of Agricultural Economics, Assam Agricultural University, Jorhat-785 001, Assam, India.

Corresponding Author: Sangita Borah, Department of Agricultural Economics, Assam Agricultural University, Jorhat-785 001, Assam, India. Email: sangita.borah@aau.ac.com
ORCIDs: https://orcid.org/0000-0003-4038-7257; https://orcid.org/0000-0001-6491-4002

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MATERIALS AND METHODS

The study was conducted between January 2023 to June 2023 at the Ajmer Dairy Milk Processing Plant to fulfill research work under Assam Agricultural University, Jorhat, Assam. Both primary and secondary data were collected to know the production pattern, marketing and brand positioning of milk and milk-based products of the organization.

Primary data were collected freshly and originally. The primary data acquisition process included on-site observations of the milk plant of Ajmer Dairy, along with

personal interviews conducted individually with the management and staff across various departments within the organization. The collection of primary data further extended to gathering insights regarding the brand positioning of dairy products from consumers. Whereas, secondary data were retrieved from the annual publications of Ajmer Dairy. Additionally, data were sourced from the official websites of the dairy departments at both the state and national levels.

The process of sample selection was conducted in a structured manner, encompassing three distinct stages. A total of 200 consumers were selected for the study.
Stage I: Selection of important dairy products.
Stage II: Selection of market intermediaries.
Stage III: Selection of consumers.

Analysis of data

Basic statistical tools, particularly percentage analysis, were applied to structure the collected data within the tables. Additionally, graphical representations were adopted wherever applicable and feasible to enhance the visual presentation of the findings.

Percentage contribution =

$$\frac{\text{Milk production Rajasthan}}{\text{Milk production India}} \times 100$$

Compound growth rate analysis

The assessment of compound growth rates involved the utilization of the exponential growth function represented by the model:
In this model:

$$Y = ab^t$$

Where,
Y = Dependent variable under examination, such as production.
a = Intercept.
b = Regression coefficient.
t = Time variable.

The calculation of the compound growth rate was derived from the logarithmic transformation of the equation, which is given as:

$$\ln Y = \ln a + t \ln b$$

Subsequently, the per cent compound growth rate (Y) was derived using the following relationship:

$$Y = (\text{Anti log of } b - 1) \times 100$$

The coefficient thus obtained was tested for its significance using t-tests.

Perceptual mapping

Perpetual mapping technique was adopted to visualize the consumers' perception towards different milk product brands available in the markets of Rajasthan.

A perceptual map is a two-dimensional graph with a vertical axis and a horizontal axis. Each axis has a pair of opposite attributes at each end of the axis. For a product to exist, it must find a place in an individual consumer's perception of the world of products around him or her. This perception is governed by the individual consumer's values, beliefs, needs, experience and environment. Every brand occupies a particular point or space in the individual consumer's mind, a point which is determined by that consumer's perception of the brand in question and its relation to other brands available in the same market. The spatial distance between the points in that consumer's mind reflects the subject's perception of similarity or dissimilarity between products and brands (Sengupta, 2006). A simple percentage method was applied to identify the position of different brands in the perceptual map.

Multidimensional perceived similarity or dissimilarity analysis helps us in development of perceptual map for the brands available in the markets of Rajasthan (Chandrakumar *et al.*, 2016).

RESULTS AND DISCUSSION

Rajasthan experienced a rise in milk output from 7.76 MT in 2001-02 to 34.73 MT in 2023-24, with a contribution of around 14.51 percent to the national total. (Basic Animal Husbandry Statistics, MoFAHD, DAHD, GoI). Fig 1 represents the trend in milk production both in Rajasthan and India. The compound annual growth rate analysis reflected that the growth in milk production was higher in Rajasthan (7.5%) as compared to India (5.1%) during the entire period.

Ajmer dairy was founded in 1972 as an affiliate organization of the Rajasthan state dairy development corporation, under the cooperatives act of 1965. The Ajmer district milk producer union, also known as Ajmer Dairy, was authorized to operate in the Ajmer district of Rajasthan. It started with a modest beginning of procuring around 500 liters of milk per day. Ajmer Dairy has made tremendous progress in all areas over the years, including the purchase, processing and production of various milk and milk products, as well as the marketing of such products under the brand name "SARAS". Ajmer Dairy undertook a project in 2017 for Rs. 313.32 crores to increase milk handling capacity by 8 lakh liters per day and skimmed milk powder capacity by 30 metric tons per day in response to the multiple increases in the marketing of milk and milk products as well as in milk procurement. The fully automated liquid milk plant along with the packaging facility was commissioned during August to October 2020 and was the first green dairy processing plant in the country.

Among all milk unions, Ajmer Dairy ranked third in milk procurement and second in liquid milk marketing as per the Govt. record of Rajasthan (https://sarasmilkfed.rajasthan.gov.in/). Currently, 2.95 lakh kilograms of milk are purchased daily by the union and 2.42 lakh litres of milk are sold locally. The Union had 833 registered dairy cooperative societies in total, of which 446 dairy cooperative societies were run by women. The union is planning to increase 46 more dairy cooperative societies under their

network. They have registered membership of 60,605 milk producers as per the record of 2024-25, out of which 33,218 were found to be female members. Ajmer dairy distributes its milk products through 36 different routes. They have 416 milk booths to distribute milk in the entire state, out of which, 292 milk booths were located in Ajmer district, 56 booths in Beawar district, 43 booths in Kishangarh district, 16 in Nasirabad district, 3 booths in Bijaynagar district and 6 booths were found in Kekri districts. Saras Milk Parlours serves a complete range of milk products to the customers through these booths.

Organizational structure and employees detail of Ajmer dairy

The Ajmer dairy organization was controlled and supervised by a strong hierarchy system (Fig 2) headed by the chairman and managing director, who had a strong expert staff in transport, procurement, finance and accounts, marketing, engineering, *etc.* They were also utilizing both permanent and temporary staff throughout the year for the smooth functioning of the dairy processing plant. From Table 1, it was observed that the organization spent Rs. 4.2 crore on

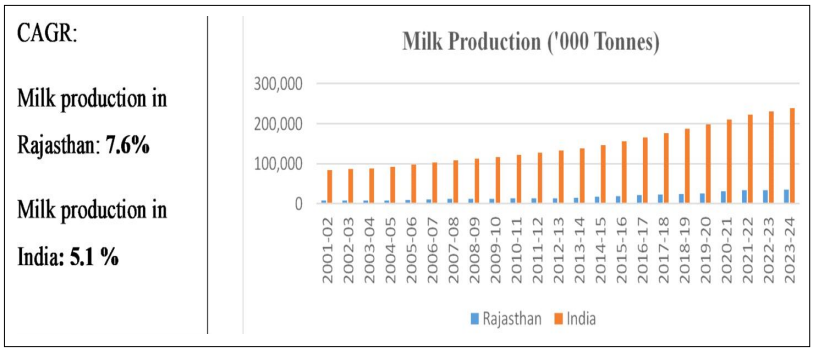


Fig 1: Milk production in Rajasthan and India from 2001-02 to 2023-24.

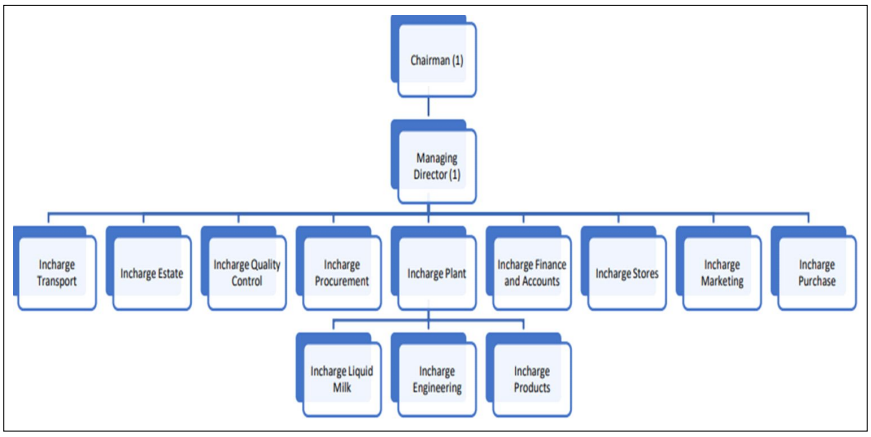


Fig 2: Organisational structure of Ajmer dairy.

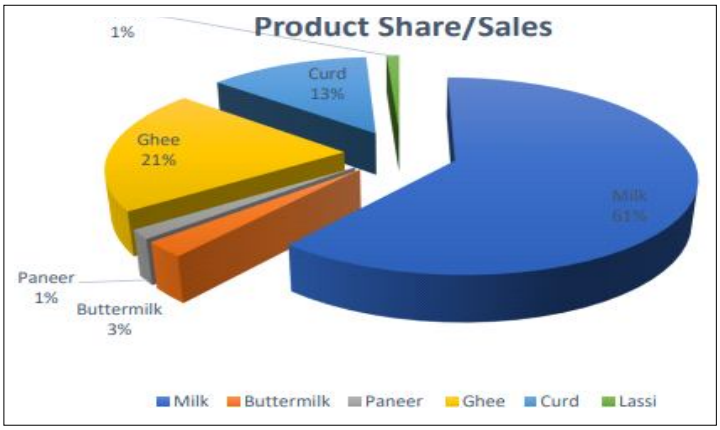


Fig 3: Share of the products of Ajmer dairy plan.

the annual wages for the plant's permanent employees and Rs 9 crore was spent on casual workers.

Share of processed products produced by Ajmer dairy plant (2021-22)

Table 2 and Fig 3 represent the various milk and milk products that the Ajmer Dairy processed and sold during the period 2021-22. With a 61 per cent product share, Saras milk was the plant's primary output, followed by Ghee (21 per cent) and curd (13 per cent). Due to the nature of production and the seasonality of demand, Saras lassi had the lowest share of 1 per cent recorded during the study period.

Monthly milk procurement and price of the milk given by Ajmer dairy for the year 2022

The Ajmer dairy plant processed around 1102.2 lakh liters of milk annually at an average cost of Rs. 46.2/liter and with a high working capital investment of almost 40 crore rupees. From the Fig 4, it has shown that there were seasonal variations in the availability of milk throughout the years. Milk production increases during the winter season as green fodder availability for the milking cow was observed to be higher during that time. On the other hand, milk output decreases in the summer season for that price of the milk increases because of more demand.

Growth of Ajmer dairy in physical activity during 2018-22

It was observed from Table 3 that during the period from 2018 to 2022, Ajmer Dairy presented a positive growth rate in membership registration (2.8 per cent), skimmed milk powder production (39.9 per cent), milk payment (6.2 per cent) and turnover (4.9 per cent) of the organization. Negative growth was observed for dairy cooperatives' registration (-0.5 per cent), average milk procurement (-0.8 per cent), average city supply (-0.9 per cent) and ghee production (-2.8 per cent). Because of the installation of the new

Table 1: Number of workers employees and their wages in Ajmer dairy (2022).

Category of workers	Number of Workers employed	Wages paid per worker in a month (Rs.)	Wages paid per year (Rs. Crore)
Permanent workers	80	40,000-45,000	4.2
Casual workers	360	18,000-22,000	9

Table 2: Share of processed products produced by Ajmer dairy plant (2021-22).

Product name	Quantity (lakh litres)	Share %
Saras milk	857.75	61
Saras chhach	36.5	2.6
Saras paneer	21.9	1.6
Saras ghee	292	20.8
Saras curd	182.5	13
Saras lassi	14.6	1
Total	1405.25	100

Table 3: Growth of Ajmer dairy in physical activity during 2018-22.

Particulars	Units	2018-19	2019-20	2020-21	2021-22	CGR%
DCS	Numbers	824	828	826	810	-0.5
Membership	Numbers	51,800	52,580	53,493	56,500	2.8*
Average milk procurement	(Thousand kgs) per day	316	284	273	304	-0.8
Average city supply	(Lakh litres) per day	1.91	2.00	1.83	1.91	-0.9
Ghee production	Million tonnes	2,688	2,032	2,080	2,424	-2.8
Skimmed milk powder (SMP)	Million tonnes	2,073	2,933	4,088	5,688	39.9***
Milk payment	Rs. Crore	403	425	401	503	6.2
Turnover	Rs. crore	595	683	604	727	4.9

(*indicates significance at 10 per cent level; *** indicates significance at 1 per cent level).

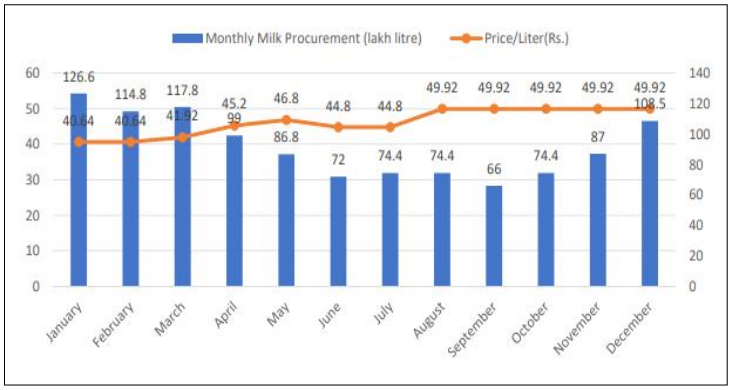


Fig 4: Monthly milk procurement and price of the milk given by Ajmer dairy for the year 2022.

powder plant, the organization can able to transform the majority of its liquid milk into powder form for skimmed milk powder production showing a positive and significant growth during the period. As the organization has shown a positive growth rate in payment of the milk and turnover of the cooperative the membership growth was also observed to be increasing during the period.

Share of current marketing channels used for selling milk and milk-based products by Ajmer dairy

Two marketing channels were identified for selling milk and milk products by Ajmer Dairy.
Channel I => Producer- Union- Consumer
Channel II => Producer- Union- Distributor-Retailer-Consumer

Table 4: Share of current marketing channels used for the selling of milk and milk-based products by Ajmer dairy.

Marketing channel	Total sales of milk and milk-related products (in %)
I	82
II	18

Table 4 represents the share of marketing channels used for selling milk and milk-based products by Ajmer dairy. It was reflected that Channel I was used to selling 82 per cent of milk and milk-based products by the organization. While only 18 per cent of the products were moved through channel II.

Ajmer Milk Union's distributor and retailer marketing margins for various milk and milk products

It was observed from the Table 5 that Saras butterscotch and paneer provided the biggest margins of Rs. 43.42 and Rs. 25, to the retailers and 500 ml saras milk packets offered the lowest profit margin of 0.75 rupees only. For the distributors, Saras Butterscotch and Saras Ghee 1 litre packets give the largest margins of Rs.19.47 and Rs. 18.08 respectively, while Saras Namkeen chhach 200 ml packet gives them the lowest margin of Rs. 0.20 only. Ajmer Dairy sells its milk packets straight to the retailer without using any distributor and they provide more margins to the retailers on newly introduced products.

Consumers preference for various milk based product brands

Table 6 presents consumer preference for the top four milk based product brands. It was done to select popular major

Table 5: Ajmer milk union's distributor and retailer marketing margins for various milk and milk products.

Products	Packaging	Distributor's price	Retailer price	MRP	Distributor margin (in Rs.)	Retailer margin (in Rs.)
Saras chhach plain 500 ml	Packet	15.00	15.25	16.00	0.25	0.75
Saras namkin chaach 200 ml	Packet	7.00	7.20	8.00	0.20	0.80
Saras lassi 200 ml	Packet	7.5	7.75	9.00	0.25	1.25
Saras dahi 250 gm	Packet	14.00	14.50	16.00	0.50	1.50
Saras dahi 500 gm	Packet	28.00	29.00	32.00	1.00	3.00
Saras paneer 200 gm	Packet	59.20	60.00	65.00	0.80	5.00
Saras paneer 1 kg	Packet	295.00	300.00	325.00	5.00	25.00
Saras flavoured milk	Bottle	19.00	20.00	22.00	1.00	2.00
Saras chocobar 60 ml	10 candies	89.28	107.10	150.00	17.82	42.90
Saras butterscotch	16 cones	177.21	196.68	240.00	19.47	43.32
Saras ghee 500 ml	Packet	259.72	268.82	280.82	9.10	12.00
Saras ghee 1 L	Packet	516.67	534.75	558	18.08	23.25
Saras DTM (double toned milk) 500 ml	Packet		20.25	21.00		0.75
Saras DTM (double toned milk) 1 L	Packet		40.5	42.00		1.50
Saras toned milk 500 ml	Packet		23.25	24.00		0.75
Saras toned milk 1 L	Packet		46.50	48.00		1.50
Saras standard milk 500 ml	Packet		26.25	27.00		0.75
Saras standard milk 1 L	Packet		52.50	54.00		1.50
Saras gold 500 ml	Packet		30.25	31.00		0.75
Saras gold 1 L	Packet		60.50	62.00		1.50
Saras gold 6 L	Packet		363.00	372.00		9.00

Table 6: Consumers preference for various milk based product brands.

Company	No. of respondents	Percentage %
Saras	120	60
Amul	46	23
Paayas	22	11
Vadilal	12	6

brands preferred by the consumers in the state. Saras represented the highly preferred brand, as per the study. Consumer Perception mapping for brand positioning was done on these top four major brands available in Rajasthan.

Brand positioning of milk and milk products of Ajmer dairy

Brand positioning is a core concept in marketing stated by Vairamuthu *et al.* (2017). With the help of perceptual mapping technique brand positioning of milk and milk products of

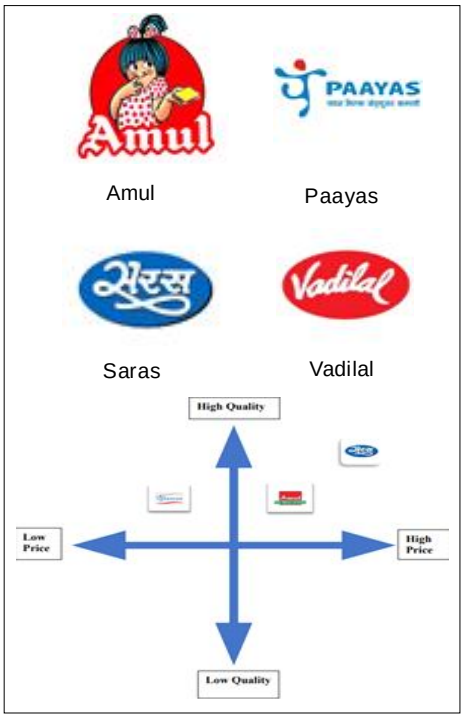


Fig 5: Brand position of milk for Saras, Amul and Paayas.

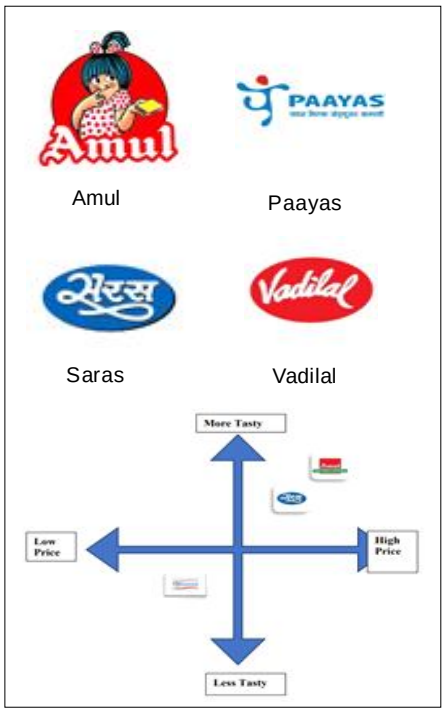


Fig 7: Brand position of paneer for Saras, Amul and Payaas.

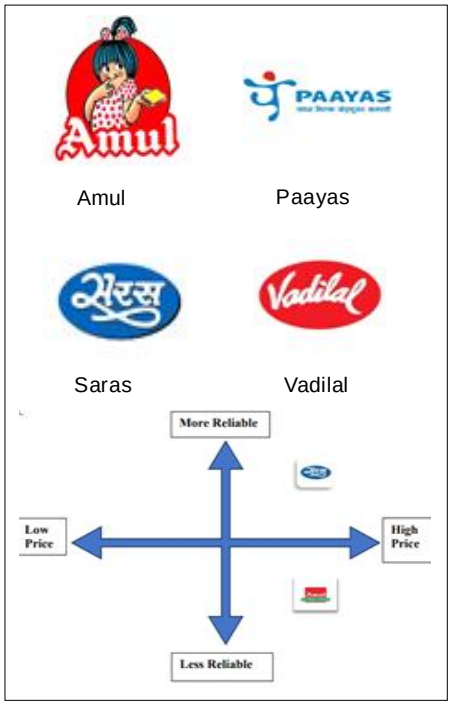


Fig 6: Brand position of ghee for Saras and Amul.

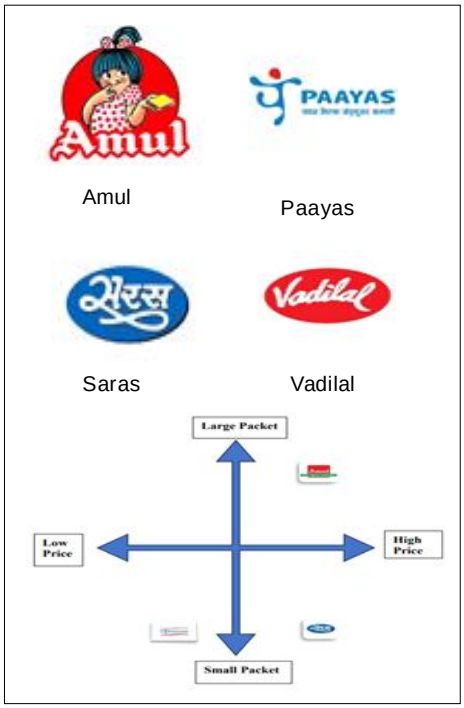


Fig 8: Brand position of curd for Saras, Payaas and Amul.

Ajmer dairy with other competing brands were trying to identify. The brand position of Saras, Amul and Paayas. milk is plotted in Fig 5 of the perceptual map. It was observed from the figure that based on the selected attributes brand position of Saras milk was in the high quality and high price category and Paayas was in high quality low price category. Amul also held a high quality category but their position was less than Saras. Even though the price of Sara's milk was high, quality was the main factor that attracted consumers to more purchases.

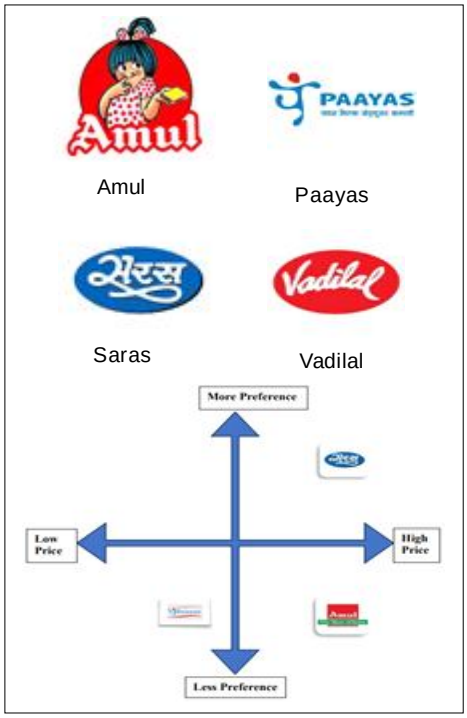


Fig 9: Brand position of lassi for Saras, Amul and Payaas.

Fig 6 represents the perceptual map for the brand position of Saras and Amul ghee. From the selected attributes, it was identified that Saras's position for ghee was more reliable and high price category, while Amul held high price less reliable category. Similarly, Fig 7 represents the brand position for Paneer among the three brands. It was reflected that Amul's brand position for Panner was high taste and high price category. Paayas paneer was less popular due to its lack of flavour, so consumer preference was less even though it was available at a lower price. From Fig 8 brand position of curd among the three competing brands was identified. It was reflected that for the selected attributes Amul brand was in the high-price large packet category. The study reflected that Saras and Paayas were available in the small packets. The brand position of Lassi is reflected in Fig 9. It was observed that based on attributes of preference level with price Saras lassi held the highest position with highly preferred brand even after the price was high for the product. Amul and Paayas lassi were less preferred than Saras in the study area. For buttermilk, Fig 10 represents the brand position of Saras, Amul, and Payaas, and it was observed that Saras holds the highest preferred position compared to Amul and Payaas. But for ice cream, Amul holds the highest brand position with consumer preference and more

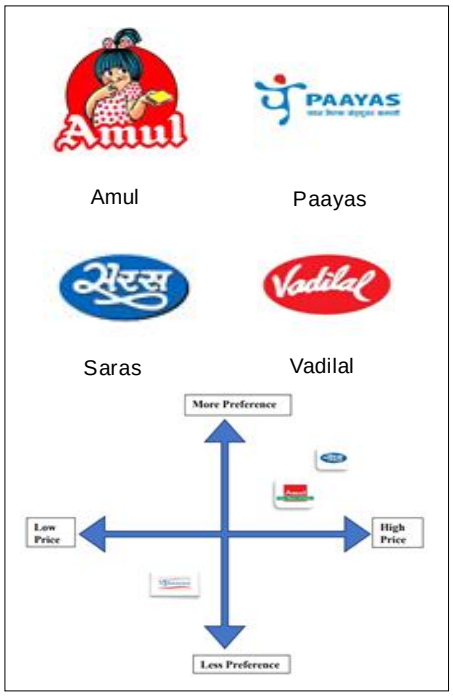


Fig 10: Brand position of buttermilk for Saras, Amul and Payaas

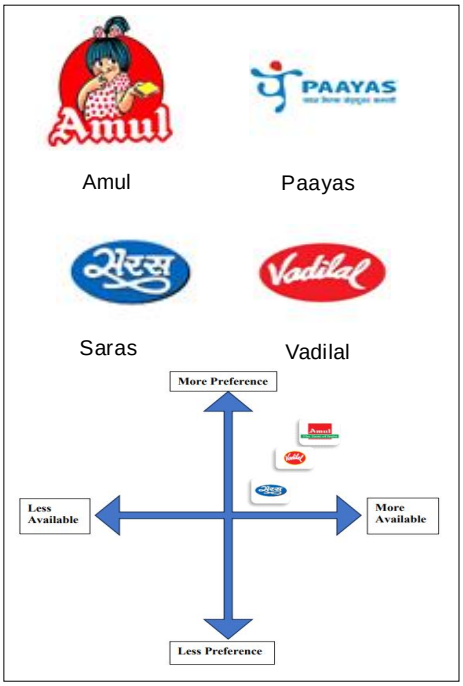


Fig 11: Brand position of ice-cream for Saras, Amul and Vadilal.

availability, compared to Vadilal and Saras as represented in Fig 11. Freshness, hygiene, taste and reasonable price were the main reasons to attract customers to the Saras Dairy products (Tanwar, 2012). In India, consumers are price sensitive (Chaturvedi *et al*., 2024) so they prefer those brands where they get good quality products at reasonable prices. Customer-satisfied product creation is important to make repeat purchases of the same product (Kalro, 2024). The organization needs to focus on that so that they can increase their brand image in the minds of the consumers for repeat purchase.

CONCLUSION

The research investigation reflected that the organization holds the highest share of the production and sale of its liquid milk under the brand name SARAS. The SARAS products were moved through mainly two marketing channels, with the highest marketing margin for the product Saras butterscotch, to the distributors and retailers. The organization needs to focus more on improving the brand position of less preferred products with the adoption of new marketing techniques and advertisements. It will help the organization to compete with some old and reputed brands like Amul, Paayas, and Vadilal. Similarly, for improving the milk business, more focus will be required to encourage primary dairy cooperatives to join and register under them.

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Disclaimers

The views and conclusions expressed in this article are solely those of the authors and do not necessarily represent the views of their affiliated institutions. The authors are responsible for the accuracy and completeness of the information provided but do not accept any liability for any direct or indirect losses resulting from using this content.

Informed consent

All animal procedures for experiments were approved by the Committee of Experimental Animal Care and Handling Techniques were approved by the University of Animal Care Committee.

Conflict of interest

All authors declare that there are no conflicts of interest regarding the publication of this article. No funding or sponsorship influenced the study's design, data collection, analysis, decision to publish or manuscript preparation.

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