



Symbiosis Institute of Business Management, Hyderabad



Symbiosis International (Deemed University), Pune

Field Visit to Thirumala Dairy Plant, Gungala

Rural Marketing Course (Batch of 2018-20)

Date:- August 03, 2019

On August 03, 2019, the students of Symbiosis Institute of Business Management, Hyderabad, specialising in the field of Marketing went for a field trip to Gungala, for a subject named Rural Marketing guided by Dr. Tanmoy De.

Objective of the Study:-

The main objective of the field visit was to get an idea how a dairy products creator's supply chain functions, its product line, market reach of its offerings, and a daily functioning of the Thirumala Dairy's Gungal Plant in Telangana.

Flow of the Visit:-

- The students of SIBM Hyderabad, 2018-2020 batch belonging to Marketing specialization, arrived at the plant at around 10:30 AM.
- Dr Tanmoy De, who takes the subject called rural marketing was our guide and teacher.
- The team met with plant head, regional head, technical head, and other staff.
- A company presentation on Thirumala Dairy, was presented by the technical head.
- After an hour or so of detailed presentation, the students were split into groups, and were given a tour of the plant. It commenced on 11:45 AM.
- The tour was finished at around 02:00 PM. A photo was snapped with the students and the officials, and the team departed for the campus, reaching at around 04:00 PM.

Personnel Involved:

- The Plant Head, Mr Ravideva
- Senior General Manager, Mr Bikash
- Technical Head, Mr Pavan Kumar.
- Tour staff: Mr Ravi.
- Team-In-Charge: Dr Tanmoy De.
- Marketing specialization head: Mr Rutvik Shah.
- Number of students present at the visit: 30.

History of the Thirumala Dairy:-

The Thirumala dairy plant was established on 2010 at Gungal Telangana. They have several other plants but Gungal is largest and the most significant of them. The Thirumala brand was established on 1996, and it has been maintaining its position as a fastest growing brand with presence in major states of India such as Tamil Nadu, Karnataka, Andhra Pradesh, Telangana, Kerala, Madhya Pradesh, Uttar Pradesh, and West Bengal.

Today, Thirumala produces dairy products across nine state-of-the-art manufacturing plants spread across southern states of India. In 2014, Lactalis acquired Thirumala dairy.



Lactalis also has other brands like Thirumala in Telangana, Prabhahat at Maharashtra, and others. Sourcing of raw milk happens from Telangana and Maharashtra. The plant manufactures ghee, milk, curd, butter, lassi, and dhoodpeda. A land area of 32.7 hectares. The plant is also involved in exporting of its products, mainly ghee to Singapore, Malaysia, and USA. The milk production capacity of the plant is 4 KLPD (kilo liters per day).

Lactalis is a family-owned dairy group based in Laval (Mayenne), in the west of France. In 1933, André Besnier started up his cheese-making company. The group sells products in over 180 countries and has 229 production sites across the globe. Lactalis is the largest dairy group in the world with turnover of over 17 billion Euros. The traditional and cultural experience of Thirumala and international expertise of Lactalis provided a unique combination, leading to a success story to be talked by generations to come.

Mr. Pavan Kumar, the technical head at Thirumala Gungal plant, gave a presentation on Lactalis group, the following statistical information was noted:

- Leading position in all dairy categories.
- 15th agri-food group in the world.
- Significant presence across all major continents.
- Dairy ingredients and powders 10%, yogurt and chilled dairy 15%, cheese 33%, butter and cream 14%, liquid milk 24%, and other 4%.
- Has a plethora of international brands under Lactalis. As of now no presence of Lactalis brand in India, operating through subsidiaries.

Supply Chain of the Dairy Product:

- Milk procurement: Milk is procured from villages, transported in tankers. The quantity in the tanks goes to thousands of litres from sets of villages. The collection agents test the quality of the milk on 5 parameters here. Detailed testing happens at the collection centre.
- Milk Transport.
- Processing: This step happens in collection centers, where they check for 26 parameters of milk quality, through high-end machines that cost around 80 lakhs. Rejection rate is very less, around 5%. Wasted milk is sent back or sometimes recycled, depending on the amount of quantity. In between all these processes, the milk is always stored in chilling towers.

- Packaging: Before packaging, quality assurance is done through lab tests, and sensory panels. The panels consist of 6-12 people, testing samples of different products across parameters, for instance, checking sweetness, saltiness, smell etc. Cross-checking is done through multiple panels.
- Distribution: Happens through contracted agents or TDC's (Thirumala distribution Center, a recent innovation by the brand to eliminate middlemen).
- Consumers: Dispatched to retailers and Thirumala parlours.

Product Portfolio:

- Fluid Milk Product (FMP): Industry term for milk processed for beverage use. Products include milk in pouch, curd in pouch, butter milk, and panner (categorized due to temperature considerations).
- Ambient: Milk processed at ambient temperature, generally considered at 40 degree Celsius. Products include ghee, powder, and Ultra High Treatment Milk- This particular pouched milk is heated at higher temperatures.
- Frozen: ice cream.
- Refrigerated: Butter cheese, cup curd, and lassi.

Channels of Distribution:

- General Trade: Retailers like mom & pop stores, exclusive parlours, and commercial markets.
- Modern Trade: Hypermarkets, and direct marketing.
- Own Parlour: The big distribution centres like Thirumala Distribution Centres, shops near highways etc.
- HoRoCo: Selling to hotels and restaurants.
- Home Marketing: Selling through online groceries, Big Basket for example.

Plant Tour and Information:-

The plant officials also conduct hygiene and CSR activities with their employees, and villagers.

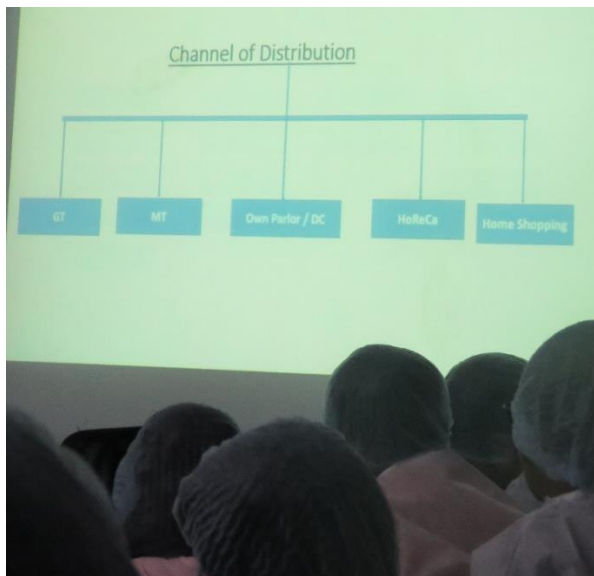
The students were split into teams of 5-10 and were led on a tour by two employees of the plant, one of them known as Mr Ravi. The students were led through the following sections:

- The packaging section: Here fluid milk is filtered and pumped through a packing machine. Defected pieces are removed and recycled. The temperature is cold maintained.
- The cold storage section.
- The room temperature heating section.
- Final packaging and transport delivery section.

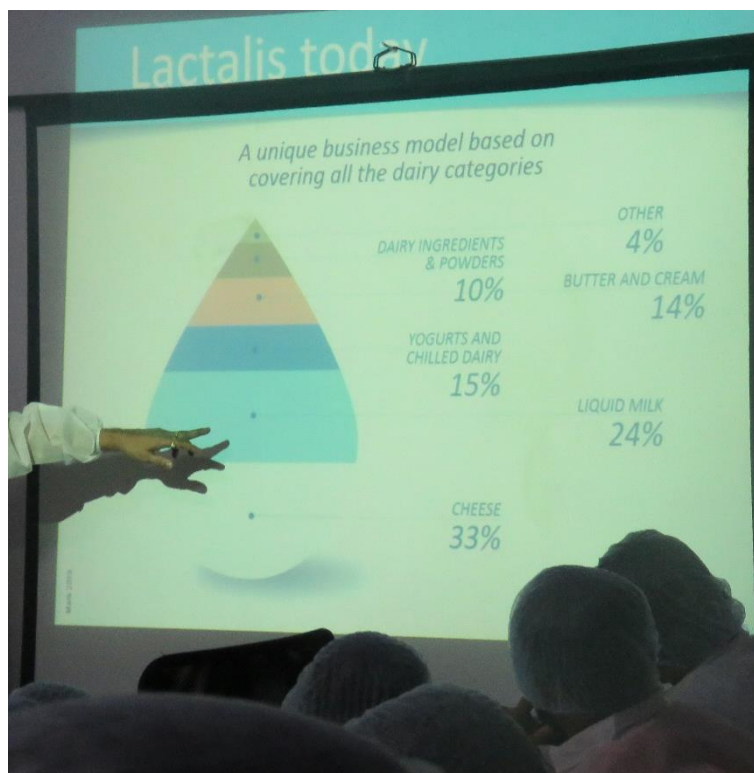
Picture Library:-



Dairy Supply Chain as explained by Mr. Pavan Kumar



Channel Distribution



Lactalis Revenue Split



Lactalis Brand Portfolio



left to Right Plant Head Mr. Ravideva, Dr. Tanmoy De, SIBM Hyderabad, and Mr. Bikash, Senior General Manger



Students of SIBM Hyderabad with Mr. Bikash, Senior General Manager (Second from right), and Dr. Tanmoy De (Last from Right)