

“Marketing Strategies in Cement Units with Special Reference to Madhya Pradesh”

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ABSTRACT

It is observed that for the last two decades, the cement industry has expanded due to urbanization. The demand for houses and corporate offices are increasing and also due to increase in population, cement industry is also in demand. People are moving from rural areas to urban areas in search of employment. So they need place to live. Looking at these rising demands, cement industry grew at the faster pace. The emergence of Mall culture, the need of expansion of infrastructure is also increased. In the branding of the cement industry, marketing strategies are important that included, price, product performance, promotion, distribution and segmentation. The cement industry has maintained such strategies in the competitive world. In this study two main brands Ambujacement and Ultratechcement were chosen and compared the marketing strategies between these two brands in Madhya Pradesh. Total 50 Dealers/Distributors were selected from the cities of M.P. (Indore, Bhopal, Ujjain and Gwalior). In the selection of respondents, convenient sampling method was used. The findings concluded that the marketing strategies of Ultratech are more strong compared to Ambuja cement in all aspects.

Keywords: product performance, pricing, promotions, branding, segmentation.

INTRODUCTION

For the last decades, cement industry is rising due to urbanization and try to overcome the demands which is constantly increasing. In India, the market for cement is monopoly means a number of players exist in the market so the price wise competitive as no manufacturers can charge a high price. Hence, price has no variance and in this way monopoly is removed from the manufacturing units. But quality is the foremost important in determining the strategies. People are willing to pay high price for the sake of quality of cement. Companies want to gain ore profit through the economies scale. Day by day these companies are increasing their operations across India. (Sharma, 2008).On the basis of category of cement industry, there is a segmentation for each category, national level, state level and regional level. The first category consists of two groups with all India presence viz., Holcim (the Swiss multinational) controlled ACC and Ambuja cements; Aditya Birla group controlled Grasim Industries, Century Textiles and UltraTech Cement. The second category consisted of companies whose presence is restricted to one region but with a stronghold in markets of their respective operations. The third category consists of small companies with marginal presence, constituting the balance capacity of the Indian cement industry. Companies like CCI, J&K Cement, Panyam Cement, Penna Cement etc., fall in this category (Mukhopadhyaya et al, 2012).

At the time of initial five year planning of Indian Government the cement company has expanded to fulfil the growing infrastructural requirement of the nation. During the 11th five-year plan of the Indian Government,they improved highways and roads also re-building many heritage places, development of metropolitanand restoration of slum areas.In the housing area, the requirement of cement is increased by 50 % because of increasing the population of nation which also raise the requirement.The requirement of cement will be increased in this sector, due to the metro rail projects in Bangalore, Hyderabad and Mumbai and also due to development stage in Delhi.Because of development in every sector need of cement is also incresered for example, expansion of Airports of all metro cities, All sports activities involve in hosting of the Commonwealth Games in 2010 and also in state and national level sports avticities.

Marketing Mix Strategyis a involving all four manageable components of product’s marketing plan which are – Product, Price, Place and Promotion. Chai (2009) stated that that marketing mix strategy given by McCarthy (1964) as a conceptual framework that recognizes that to gratify the customers’ requirement the basically decision making mangers make design of their products and services. The devices are utilized to create long term planning’s and short term strategic projects. Popvic (2006) suggested that a companyuse marketing mix method should make a blend of

right product at the perfect place and sold at the reasonable cost with the help of appropriate promotions strategies. According him subsequently, to make the to make the right mix company have to meet the following conditions: 1. Quality of the products is perfect, 2. The cost of the product is reasonable, 3. The products must be delivered at the right time on right place, 4. Target group require to be attentive of the presence of the goods with the help of promotions. The feedback get from consumers' regarding product or services where be seen in the definition or clarification of 'right'. As per Moller (2006) the feedback get from consumers' regarding product or services where be seen in the definition or clarification of 'right'. To make the correct blend subsequently, firms need to meet the accompanying conditions as per Popvic (2006): The item must have the correct highlights, the cost should be correct, the merchandise should be at the perfect spot at the perfect time, and the objective gathering should be made mindful of the presence of the item through advancements.

In literature the growth strategy are assume as market development and enlargement methods. The technique is focused around industry's development. As per Boyle (2011), stated that by concentrate on loyal consumers the sales is raised in existing market. If a firm can get data about loyal consumers' purchasing history can assist to deciding manners by which it can drive market expansion or development. Four classifications of market development techniques have been recognized and they involve horizontal, vertical integration, diversification and intensification development methodologies. The horizontal integration tries to enhance market power, decrease price of trade, share goods resources, and mostly sell same item. To decrease transportation costs, handle upstream and downstream margin benefits, and to access downstream circulation channels vertical Integration is helpful. Diversification comprises of new goods internal development, company acquisition, licensing and partnership of new goods. Intensification development planning to access the market to expand consumers' loyalty, and makes promising benefits that aims the current consumer based.

Price: In Cement industry cost is utilized uniquely as a differentiator among the different Competitors brands. The costs of various brands in a similar area stay much comparable, with just a margin of 2-5 rupee for each pack. Sometime cost also differ when order is placed by the consumer for example order put by him is in wholesale or in retail. Decisions of rate in cement company is generally based upon the rate of sources for example clinker, other crude materials, taxes, GST and also the overall working benefits. All cement brands in the market is influences by the increase or reduction of costs. The vendors can pass on this benefits to customers by decreasing the cost of cement from their own margin by 2-3% for customers because of internal rivalry. This is a reason for worry for the cement industries since they need to keep a consistent watch of the costs offered in the market. The sellers provides a greater discounts and the industries can't firm up the costs. To increase the sale figure cement industries gives lots of concession and rewards like, foreign tour vouchers, cash discount coupons, seasonal discount, gift items to dealers. To take benefits of all this rewards and discount schemes dealers expand their business volume. In all over the India differences in the cost of the cement is noticed. The variation in cost of the cement is because of the local transportation costs, the difference in local market supply and demand, variation in the level of rivalry among domestic retailers and wholesalers. Aside from this in the whole year the costs continue fluctuating due to demand and supply elements, the expenses of crude material utilized and different variables.

Discounts: When there is purchase of cement in bulk amount industry will give an attractive discount. In Cement Company the net revenues are already less, therefore discount in case of buying small quantity of cement is not practically possible.

Role of Sales Personal in Promotion: In India household owner is an important client base who purchases cement in nowadays. Finally customer buy cement after getting opinions from pioneers' like workers, architects, engineers, mason, contractors and so on. Therefore to draw attention cement sales teams arrange a workshop or seminars for masons and contractors. They likewise collaborate with retailers and merchants who are in the selling cycle addressing the industries to the end user. They are work as a mediator between Cement Company and customers. To effect the final products the retailers or merchants have a significant role.

Sales Promotion Schemes: The channel members are first who get advantage from sales promotions and offers as they are not straightforwardly executed for the final customer. The best performers is also congratulate by the industries. They give performance based bonuses for motivation. Very less has worked out an equity-incentive scheme for its retailers, in place of offering cash discounts, retailers are offer to get share in the industry. The comprehension among the vendor and the retailer and the industry is no chance engaged in the share buys, —said an industry official. Additionally, for the retailers they have other execution related promotional which have gold coins and foreign tour vouchers. Additionally they also offer an insurance cover for a specific amount Rs 5 lakh for individual accidents and grants for their kids and so on. Some industries worked out a plan under which one specific plan can be benefited of in mix with other available plans too. The stockiest will have to complete their target sales to get the foreign trip vouchers.

Place Distribution Channels Involved: In India, it is need a cross country reach with solid impressions. The cement industries also cover key areas in all the districts. A wide vendor and retainer network also needed to sustain the strongtrade partnership even to reach even the smallest town. The idea of a two-tier distribution chain involving producers and vendors very well. It is an ideal and easy setting, as the producers deal cement to sellers. Subsequently, the onus is on the sellers who set up contact with builders, government and institutional purchasers, and offered to retailers. Industries constantly recruits C&F agents or transport cements to own or government stockrooms either through roads or rail.

REVIEW OF LITERATURE

Maity (2014) studied the buyer behaviour factor of Cement Company. He attempted to find out the effect of influencer in buying cement. The cement purchasing decision is a complicated procedure as there are various types of cement brands are available in market. Nowadays cement which was viewed as an essential product has now become a product in which different choices are available and preference is also matter. To selecting a specific brand of cement influencer plays a key role to influence the customer.

Arun Kumar and Renugadevi (2013) in their article stated that to make success of an organization engagement is a powerful driver that depends upon the learning and development. Companies can promote talented and retained people with the help of highly engaged employees. Engagement highlights the importance of employee communication on the business success. Study exposes that employees would be highly engaged when their needs are fulfilled. It is so important to understand what they are greatest at engage their aptitudes in the probable method. It should not be a onetime implementation, but it is a continuous process of action, learning and improvement.

As per the study of N.C. Bansal (2013) in infrastructure development Cement is anbasic element and also a most significant aspect of construction industry, especially in the government's framework and housing schemes, which are important for the nation's financial development and improvement. In all over the world it is the second most utilized material. After China, the Indian Cement Company is the second biggest manufacturer company of the cement and also leading than the United States and Japan. Cement Company can be counted as a main field contribute approx. 1.3% of GDP and also give employment to more than 0.14 million peoples. Cement Company is also play as a key contributor to the revenue as collected by the central and state government both by excise and sales taxes.

Riaet al., (2012) describe employee performance has direct and significant relationship with organizational citizenship behavior and organizational learning but organizational learning culture have an indirect influence towards employees' performance through the organizational citizenship behavior. The results of this study empirically shows that organizational citizenship behavior could have a positive intervening influence on organizational learning culture and this intervening variable effects on employees' performance directly. As consequences, the influence of organizational learning culture toward employee's performance will tends to be stronger when they have a higher or strong organizational citizenship behaviour.

Ananth (2008) pointed out different problems faced by the organization in handling the corporate finance such as the time of procurement and investment of funds. He suggested that the organisation must relate itself with the needs of changing environment by taking good decisions through professionally trained people. The study concluded that training increases the productivity and able to enhance the employees' performance. Training helps employees to sharpen their skills and competencies and they become fit to the particular task.

Rationale of the Study

Because of economic expansion in India, the cement company is confronting a sudden increase in demand. Indian Cement Company to keep in mind the increasing demand in present scenario will have to expanding their manufacturing capacity to compete the multi-national markets. The development of Indian cementcompany can be decisive by business strategies, for example, innovative work, consumer retention methodologies, inventions, branding methodology, Government regulations, globalization and consolidation and so on. As per the review, by 2020 in the all over the world the use of cement is anticipated to increase about 3560 MT. The sales is also increased because of development of infrastructure Thus, the motivation behind the research to evaluate the various brands of cement company on the basis of promotional strategies, manufacturing policies, Government policies and so on. For the research two distinct cement brands have taken in Indore city.

Objectives Of The Study

- ❖ To study the marketing strategies of different brands of cement industry in Indore city.

RESEARCH METHODOLOGY

Research Design: The research design is descriptive.

Research Area: The study was carried out in Indore, Ujjain, Gwalior & Bhopal of Madhya Pradesh city.

Universe: Population in the study refers to group of marketing managers from Indore, Ujjain, Gwalior & Bhopal who are related to companies of cement i.e. Ultratech and Ambuja Cement Ltd.

Sampling Size: For the purpose of the study total 50 Distributors were selected, 25 from Ultratech cement unit and 25 from Ambuja cement unit.

Sampling Method: For the purpose of this research, convenience has been used.

Tools for data collection: The tool used for the primary data collection is a self-designed questionnaire. T-Test was used.

Analysis on Distributors

The separate questionnaire is structured for collecting the responses from Cement Distributors so that come to know about the marketing strategies in cement industry. For the study total 45 distributors are chosen and through structured questionnaire their responses were gathered and analysed.

H_{01} : There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the factor of quality.

Table 1: Independent T-Test on Quality

Factor	Category	N	Mean	S.D	DF	T-Value	Sig.*
Quality	Ultratech	25	3.62	1.21	2	4.567	.003
	Ambuja	25	3.49	1.28			

*0.05 level of significance

The table exhibits on t-test for the factor of quality of cement units. The mean score for the Ultratech cement unit is 3.62 which is higher than the mean of Ambuja cement unit (3.49) and the value of t is 4.567 which is significant at $.003 < 0.05$ so the null hypothesis 'There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the factor of quality' is rejected and concluded that difference is observed between Ultratech Cement Unit and Ambuja Cement Unit for the factor of quality.

H_{02} : There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the factor of price.

Table 2: Independent T-Test on Pricing Strategy

Factor	Category	N	Mean	S.D	DF	T-Value	Sig.*
Price	Ultratech	250	3.82	1.15	2	2.570	.010
	Ambuja	250	3.54	1.27			

*0.05 level of significance

The table exhibits on t-test for the factor of price of cement units. The mean score for the Ultratech cement unit is 3.82 which is higher than the mean of Ambuja cement unit (3.54) and the value of t is 2.570 which is significant at $.010 < 0.05$ so the null hypothesis 'There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the factor of price' is rejected and concluded that difference is observed between Ultratech Cement Unit and Ambuja Cement Unit for the factor of price.

H_{03} : There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the branding strategy.

Table 3: Independent T-Test on Branding Strategy

Factor	Category	N	Mean	S.D	DF	T-Value	Sig.*
Branding Strategy	Ultratech	250	3.62	1.24	2	2.221	.027
	Ambuja	250	3.36	1.33			

*0.05 level of significance

The table exhibits on t-test for the branding strategy of cement units. The mean score for the Ultratech cement unit is 3.62 which is higher than the mean of Ambuja cement unit (3.36) and the value of t is 2.221 which is significant at $.027 < 0.05$ so the null hypothesis 'There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the branding strategy' is rejected and concluded that difference is observed between Ultratech Cement Unit and Ambuja Cement Unit for the branding strategy.

H₀₄: There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the promotional strategy.

Table 4: Independent T-Test on Promotional Strategy

Factor	Category	N	Mean	S.D	DF	T-Value	Sig.*
Promotional Strategy	Ultratech	25	3.74	1.11	2	2.131	.034
	Ambuja	25	3.52	1.23			

*0.05 level of significance

The table exhibits on t-test for the promotional strategy of cement units. The mean score for the Ultratech cement unit is 3.74 which is higher than the mean of Ambuja cement unit (3.52) and the value of t is 2.131 which is significant at $.034 < 0.05$ so the null hypothesis 'There is no significant difference between Ultratech Cement Unit and Ambuja Cement Unit for the promotional strategy' is rejected and concluded that difference is observed between Ultratech Cement Unit and Ambuja Cement Unit for the promotional strategy.

CONCLUSION

Without make sure the ecological sustainability of the Indian cement company development vision 2030 can't be accomplished. The Indian cement company can create on previous achievements in sustainability by concentrating on the expanding requirement of cement in present era. The study found that in marketing strategies, Ultratech cement unit is morestrong in comparison to the Ambuja cement unit. As Ultratech cement unit is recognized in terms of quality and that quality has created its own space in the minds of customers. The promotional strategies are also influential and attract more customers by offering best prices. By 2030, the cement market will be doubled because of the rate of population is increasing so automatically the infrastructure demand will also increase. Various future expectations are given regarding the potential reality:

1. By 2030, India with third largest economy will be the world's most populated nation.
2. Indian Cement Company will confront difficulties due to expeditiously developments.
3. To get the opportunity the cement company will endorse new vision that is Build More, Build Well and Build Right.

Network of Agent and dealers is a crucial part of Cement industries to get a success therefore all cement industries ought to focus to create a long and strongrelationship with agents and dealers both.

SUGGESTIONS

To keep emotional connection with the dealers, cement industries should give extra discounts, rewards and benefits to the long term association of dealers. Cement industries should plan a brand loyalty schemes and they should evaluate internal consumer perception index.

Cement industries should focus more on getting promotional and place mix methodology as both of these impacts most in creating loyalty. According to the research study dealer loyalty and promotion are having a deep relationship so industry should spend more on promotional schemes as it can assist them to create loyal dealers in the increasing competition daily life.

Place mix and dealers loyalty are also having a deep relationship to each other, in this way industries should have practically planned distribution planning by establish depo and plants at the place from where cement can be delivery without wasting a time and also reducing transportation cost, for example Ambuja cement has begun the fastest delivery option and other industries can also follow the same pattern to reduce their expenses and increase their profit margin.

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