



## **MARKETING STRATEGY OF SELECTED CEMENT COMPANIES IN INDIA**

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### **INTRODUCTION**

Cement is one of the major components of infrastructure development in the world. Today without cement one cannot think of buildings, offices and even roads. Development of cement industry is completely correlated with the development of India. Cement is one of the most important infrastructure industries. India is the 2nd largest cement producer in the world after China, which capacity of production is 355 MT p.a. and per capita utilization is 196 kg. The country has vast potential for development in the construction and infrastructure sector due to support to weaker section of the Indian society, and the cement sector is expected to largely benefit from it. Some of the recent major government initiatives such as development of smart cities, reduction of rapo rate, new financial policy and loans, are expected to offer a major make better to the sector. Expecting such developments in the country and aided by suitable Govt. foreign policies, numbers of foreign investors: such as Heidelferg cement, Lafarge Holeim, & vicat have invested their funds in the country recently. This is moreover significant that raw material is required for cement production, like stone, Lime and coal is willingly available in Indian earth.

Marketing is defined as the expectation, management and satisfaction of customers' demand through the exchange process of goods and money. Strategy is comes from a Greek word strategos was used by military to define the art of the general. The meaning of it was to plan in such a way with the goal to defeat the army of enemy.

Strategy is a plan of action to attain a predefined long term goal. In the same way marketing strategy is the goal of increasing sales or profit and achieving a sustainable competitive advantage. Marketing strategy always plays an

important role in the growth of a company or industry as a whole. Marketing strategy also decides the future position of the company in the market as well as in the industry.

### **REVIEW OF LITERATURE**

Saxena (2010)<sup>1</sup> has discussed with his study that the role and importance of marketing strategy is to create a competitive edge for the company to decide the prospect of the company. The role of marketing strategies is to understand the markets which needed to be covered, finding the niche markets among the various market choices, planning for product and service offered by the companies, pricing, promotion and distribution strategies to place the product well in the market and management of the outcome of the adopted marketing strategies. Marketing strategies must be focused about the customers and countering the strategies of competitors to sustain in the market and strive for making the profits for growth. It further states that a company must create value to become competitive in the market and to differentiate its offerings from the competitors.

Morgan (2012)<sup>2</sup> discussed the three main theories in strategic management with the empirical and theoretical literature on strategic marketing to develop an integrative theory-based conceptual framework linking marketing with firms' business performance. The outcome of the research shows that there is a huge correlation in between marketing strategies on the performance of the firm.

Burange and Yamini (2008)<sup>3</sup> found in their study that sales and marketing strategy is the foremost important factor in the cement industry for many companies. They found that sales and marketing



strategy got more weightage than any other factor for the companies to become more competitive in the industry. There is an extreme need to focus on sales and marketing strategy for cement companies to take competitive advantage to grow in the dynamic business environment of the cement industry.

Roshan Shankar, Udit Agarwal Pragma Goel and Wagisha Jha (2011)<sup>4</sup> conducted a study on “Business Strategies for the Indian Cement Industry. This article presents that the Cement is the one of high demanded and single most important and profitable product in the building material sector and with the consumption of cement in India, which had to touch six hundred million tonnes by the year 2020. This study also concluded that considering the increasing of cement demand in India and higher capacity utilization over the years, and key Indian players have already begun to revisit their business strategies.

Kumar & Bansal (2013)<sup>5</sup> also conducted a study and observed that stiff competition is one of the major factors which are affecting the marketing strategies of Indian cement companies. Lack of proper product mix offered to the customers is one of the lacunas in overall marketing strategy. It discussed that differentiation among the products of different brands is not possible due to availability of the same inputs of raw material. It's further revealed the fact that pricing is one of the factors plays a role of differentiator among the brands. Fewer margins are one of the main concerns across the cement industry.

Kumar, John and Senith (2013)<sup>6</sup> observed through his research that the growth of Indian cement industry in recent several years in India. In this study designed to find out about the growth and development of cement industry in India since 1991. The parameters had taken into this study were production capacity, exports, production, and value addition in the cement products. This research was entirely secondary data based and descriptive and applied statistics have been used to evaluate the performance of the Indian cement industry.

Shaik, Balkrishn and Banana (2014)<sup>7</sup> conducted a study on “A Study on Future Marketing Trends Indian Cement Industry” and discussed about the future marketing trends in the cement industry which will focus on the emerging economies markets, improving and enhancing production technology or production portfolio to minimize the cost to achieve cost leadership, branding and innovation to provide better cement products to the targeted customers. The future lies with those companies which provide the best quality cement product at affordable prices and most of the companies in the cement industry is focusing on producing the best quality cement by introducing upgraded technology.

Previous studies show that marketing and marketing strategy is one of the most important elements for any firm. Marketing strategy provides a direction to the firm to achieve its goals and objectives within a stipulated time. It has been found that marketing strategy plays a very important role in the growth of the organizations. Both competitors and customers are very important external factors which can't be controlled by the organizations but affect their business in a big way

### **IMPORTANCE OF THE STUDY**

Business has a purpose to serve the customer. Marketing is the strategist of product pricing, product quality, sales promotion and distribution of product which satisfy the customers and marketing intermediaries. So this study have emphasised to the existing system from the select cement industries. For them define a suitable Marketing Strategy model to maximise the sales in national and international market.

The cement industry in India is one of the larger markets in the world. It had been one of the fastest growing globally, even it is currently experiencing growth or positive growth rates.

Marketing is one of the important policies to be adopted by the marketing department for the same. In marketing, the cement producer or marketing department analyses the nature of the consumer's requirements and then strategy his product to provide satisfaction to the consumers. All the marketing efforts focal point attention around the consumers' wants. The management activity, thus governed with the market and market perception to recognize larger groups of Indian consumers through marketing research and market information. Thus the management always plans to meet the customer's needs and to look market competitions. All activities and programmes entail a number of marketing and business functions, which are to be planned and implemented carefully. This comprises proper market analysis, systematic predictions and forecasting the needs of the society or public. Thus identification of demand and solve through supply involves various activities of marketing to accomplish success in the market and the arrangement of these major marketing functions is called marketing mix.

### **OBJECTIVES OF THE STUDY**

Objectives of the study provide the direction to the research and considered to be the one of the most important part of the research. Following objectives are:

1. To explore and measure the marketing environment of cement industry in India.
2. To explore the marketing strategies adopted by cement manufacturers in India.

**METHODOLOGY OF THIS STUDY**

This study is completely based on primary data. Both primary as well as secondary data have been collected to undertake the study. Mostly Primary data collected through survey method using questionnaire and also observation method has been adopted. Secondary data has been collected through various journals, books, company reports available at both offline and online & websites of cement companies.

A random sample of 76, of total sample (respondents) 24, 27 and 25 has been chosen from three cement companies mainly Ultratech, ACC and Ambuja. Total 76 sample size has been chosen to undertake this study and to attain all the objectives. A

questionnaire has been prepared to distribute among the cement marketing professionals and channel partners to collect the relevant data for the analysis. The collected were analyzed using relevant statistical tools like, Correlation, and ANOVA Analysis.

**HYPOTHESIS OF THE STUDY**

**Hypotheses 1 :** There is no significant difference between the cement industry and product price, technology, promotion & distribution system of the cement industry”

**Hypotheses 2 :** There is no significant difference between the marketing strategy and cement industry of the selected firms”

**DATA ANALYSIS****Table -1 Correlation coefficient analysis between marketing and cement companies**

organizational culture	Ultra Tech	ACC	Ambuja cement
<b>Product</b>			
<b>Pearson Correlation:</b>	0.982809	0.966312	0.988644
<b>Sig. (1-tailed):</b>	.000	.000	.000
<b>N:</b>	5	5	5
<b>T-Statistics:</b>	12.98325	9.118848	16.06873
<b>Df:</b>	3	3	3
<b>P Value:</b>	0.000493	0.001394	0.000262
<b>Price</b>			
<b>Pearson Correlation:</b>	0.977616	0.983144	0.978333
<b>Sig. (1-tailed):</b>	.000	.000	.000
<b>N:</b>	5	5	5
<b>T-Statistics:</b>	11.31779	13.11594	11.51187
<b>Df:</b>	3	3	3
<b>P Value:</b>	0.00074	0.000479	0.000704
<b>Technology</b>			
<b>Pearson Correlation:</b>	0.98862	0.974061	0.968868
<b>Sig. (1-tailed):</b>	.000	.000	.000
<b>N:</b>	5	5	5
<b>T-Statistics:</b>	16.05174	10.47543	9.510948
<b>Df:</b>	: 3	3	3
<b>P Value:</b>	0.000263	0.000929	0.001232
<b>Promotion</b>			
<b>Pearson Correlation:</b>	0.987632	0.986204	0.980821
<b>Sig. (1-tailed):</b>	.000	.000	.000
<b>N:</b>	5	5	5
<b>T-Statistics:</b>	15.38152	14.54267	12.267
<b>Df:</b>	: 3	: 3	: 3
<b>P Value:</b>	0.000298	0.000353	0.000583
<b>Distribution</b>			
<b>Pearson Correlation:</b>	0.975304	0.97176	0.989109
<b>Sig. (1-tailed):</b>	.000	.000	.000
<b>N:</b>	5	5	5
<b>T-Statistics:</b>	10.74957	10.01584	16.41612
<b>Df:</b>	: 3	: 3	: 3
<b>P Value:</b>	0.000861	0.001059	0.000246



The correlation coefficient analysis was performed to examine the relationship between product price, technology, promotion & distribution system and cement industries i.e Ultra Tech, ACC and Ambuja Cement. The results indicated that, ACC and Ambuja Cement all are the main variable indicating that there is a positive strong significant relationship between Ultra Tech & product price, technology, promotion & distribution system.

The results indicated that Ultra Tech is the main variable indicating that there is a positive strong significant relationship between marketing strategy, here Product ( $r = 0.982809$ ,  $p$  value is less than 0.05), followed by Price ( $r = 0.977616$ ,  $p < 0.05$ ) and Technology ( $r = 0.98862$ ,  $p < 0.05$ ). Similarly promotion and distribution are also positive significant relationship with ultra tech cement i.e ( $r = 0.987632$ ,  $p < 0.05$ ), and ( $r = 0.975304$ ,  $p < 0.05$ ) respectively. The one sample t-test statistic of Ultra Tech cement are 12.98325 in Product, 11.31779 in price, 16.05174 In technology, 15.38152 in promotion and 10.74957 in Distribution.

The results indicated that the ACC cement is the main variable indicating that there is a positive strong significant relationship between marketing strategy, here Product ( $r = 0.966312$ ,  $p$  value is less than 0.05), followed by Price ( $r = 0.983144$ ,  $p < 0.05$ ) and Technology ( $r = 0.974061$ ,  $p < 0.05$ ). Similarly promotion and distribution are also positive significant relationship with ultra tech cement i.e ( $r =$

$0.986204$ ,  $p < 0.05$ ), and ( $r = 0.97176$ ,  $p < 0.05$ ) respectively. The one sample t-test statistic of ACC cement are 9.118848 in Product, 13.11594 in price, 10.47543 In technology, 14.54267 in promotion and 10.01584 in Distribution.

The results indicated that the Ambuja Cement cement is the main variable indicating that there is a positive strong significant relationship between marketing strategy, here Product ( $r = 0.988644$ ,  $p$  value is less than 0.05), followed by Price ( $r = 0.978333$ ,  $p < 0.05$ ) and Technology ( $r = 0.968868$ ,  $p < 0.05$ ). Similarly promotion and distribution are also positive significant relationship with ultra tech cement i.e ( $r = 0.980821$ ,  $p < 0.05$ ), and ( $r = 0.989109$ ,  $p < 0.05$ ) respectively. And The one sample t-test statistic of Ambuja cement are 16.06873 in Product, 11.51187 in price, 9.510948 In technology, 12.267 in promotion and 16.41612 in Distribution.

From this table it is clearly indicated that ( $r$  value is more that  $p$  value) Hypotheses 1 “There is no significant difference between the cement industry and product price, technology, promotion & distribution system of the cement industry” is rejected and alternative hypothesis is accepted. So there is a significant difference between the product price, technology, promotion & distribution system and cement industries (Ultratech, ACC and Ambuja Cement ).

**Table -2 : Anova analysis between marketing strategy and cement companies**  
**Anova: Two-Factor Without Replication**

<i>SUMMARY</i>	<i>Count</i>	<i>Average</i>	<i>Variance</i>
Ultra Tech	5	20.4	0.8
ACC	5	22.2	3.7
Ambuja cement	5	21.4	1.3
Product	3	20.66667	0.333333
Price	3	20	1
Technology	3	21	1
Promotion	3	23	4
Distribution	3	22	1



ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Rows	8.133333	2	4.066667	4.979592	0.039374	4.45897
Columns	16.66667	4	4.166667	5.102041	0.024361	3.837853
Error	6.533333	8	0.816667			
Total	31.33333	14				

The ANOVA test analysis was performed to examine the relationship between marketing strategy and cement industries i.e Ultra Tech, ACC and Ambuja Cement. The results indicated that product, pricing, technology, promotion and distribution system are the main variable indicating that there is a positive strong significant relationship between cement industry & marketing strategy.

The output of ANOVA test resulted that the P-value is 0.039374 which is less than 0.05. And F value for (2,8) degrees of freedom at 5% level of significance is 4.45897 is more than F crit value 4.979592 for type of cement company This implies that, In respect of Columns (Ultra Tech, ACC and Ambuja cement) there is a significance difference between Ultra Tech, ACC and Ambuja cemen on “regularly adopting marketing strategy.”

Similarly, The output of ANOVA test resulted that the P value 0.024361 which is less than 0.05. And F value for (2,8) degrees of freedom at 5% level of significance 5.102041 is greater than F crit value 3.837853 for level of agree on marketing strategy. This implies that, In respect of rows , product, price, technology, promotion and distribution) there is a significance difference between the statement and level of agree.

From this table it is clear that Hypotheses 2 “There is no significant difference between the marketing strategy and cement industry of the selected firms” is rejected and alternative hypothesis is accepted. So there is a significant difference between the marketing of the selected cement companies (Ultratech, ACC and Ambuja Cement ).

It was noted that the respondents from the cement industry of Ultra Tech, ACC and Ambuja cemen have responded to the option Strongly Agreed, and Agree about regularly practices of marketing strategy of this selected companies..

## CONCLUSION

The cement industry requires to operate in an social and environment needs to handle market of continuous changing customers’ product preferences. The production and marketing development becomes a major activity for cement industry of these companies. Basically Cement companies are

functioning and operating their business in a high competitive environment due to presence of the cutthroat competition among the national & international and existing cement investors and players in the cement market. This article shows that marketing environment in cement industry is very competitive and dynamic and companies need to adopt new age, digital based and unique marketing strategies to be in competition at Indian cement market not only survival but also for growth and development in cement industry.

Cement companies are well aware of importance of focusing customers. Cement companies are willing to cater new customer segments. It shows the level of competition among the existing cement companies in the market. Any company offers a product or service in the market immediately introduced by its competitors in the market. This concludes that cement industry is highly competitive.

The results show that technology plays an important role in the growth of cement industry Companies have to ready for the change in the technology to utilize the opportunity present in the cement market. The results show that companies contributed in the technology developments in the cement industry. It is required for company to keep the same pace in the change in the technology within the company to contribute to the industry as a whole. Company also needs to check about the benefits it is getting from this contribution and act accordingly. This will help us in further establishing success rules for cement industry in Indian market.

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