

An Analytical Study on Selected Cement Companies in India and Marketing Strategy as Prevailing Factor

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Abstract

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 sustainable competitive advantage. Marketing strategy always plays an important role in the growth of a company or industry as a whole. The marketing strategy also decides the future position of the company in the market and the industry. The business has a purpose of serving the customer. Marketing is the strategist of product pricing, quality, sales promotion, and distribution of products that satisfy the customers and marketing intermediaries. So this study has emphasised the existing system from the select cement industries. For them, define a suitable Marketing Strategy model to maximise the sales in the national and international market. 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 observation method has been adopted. 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 analysed using relevant statistical tools like Correlation and ANOVA Analysis. It was noted that the respondents from the cement industry of Ultra Tech, ACC, and Ambuja cement have responded to the option Strongly Agreed and Agree about regular practices of the marketing strategy of these selected companies.

Keywords: Marketing Strategy, Cement, Correlation, ANOVA, Competitive Advantage.

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. The development of the 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 utilisation is 196 kg. The country has vast potential for development in the construction and infrastructure sector due to support to the weaker section of the Indian society. The cement sector is expected to largely benefit from it. Some of the recent major government initiatives, such as the development of smart cities, reduction of repo 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 Heidelberg cement, Lafarge Holcim, & Vicat, have invested their funds in the country recently. This is moreover significant that raw materials are required for cement production, like stone, Lime, and coal, are willingly available on Indian earth.

Marketing is defined as the expectation, management, and satisfaction of customers' demands through the exchange process of goods and money.

Strategy comes from the Greek word *strategos* was used by the military to define the art of the general. The meaning of it was to plan in such a way to defeat the enemy's army.

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 sustainable competitive advantage. Marketing strategy always plays an important role in the growth of a company or industry as a whole. The marketing strategy also decides the future position of the company in the market and the industry.

Review of Literature

Burange and Yamini (2008) found 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. 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.

Saxena (2010) has discussed with his study that the role and importance of marketing strategy are to create a competitive edge for the company to decide the prospect. The role of marketing strategies is to understand the markets which need to be covered, find the niche markets among the various market choices, plan for products and services 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 on 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 differentiate its offerings from the competitors.

Roshan Shankar, Udit Agarwal Pragya Goel, and Wagisha Jha (2011) studied "Business Strategies for the Indian Cement Industry. This article presents that Cement is one of highly demanded and single most important and profitable products 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 cement demand in India and higher capacity utilisation over the years, and key Indian players have already begun to revisit their business strategies.

Morgan (2012) 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 between marketing strategies on the performance of the firm.

Kumar & Bansal (2013) also conducted a study and observed that stiff competition is one of the major factors affecting the marketing strategies of Indian cement companies. Lack of proper product mix offered to the customers is a 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 that pricing is one of the factors that play a role of a differentiator among the brands. Fewer margins are one of the main concerns across the cement industry.

Kumar, John, and Senith (2013) observed through their research that the growth of the Indian cement industry in recent several years in India. This study was designed to find out about the growth and development of the 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) conducted a study on "A Study on Future Marketing Trends Indian Cement Industry" and discussed the future marketing trends in the cement industry, which will focus on the emerging economies markets, improving and enhancing production technology or product portfolio to minimise 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 are focusing on producing the best quality cement by introducing upgraded technology.

Previous studies show that marketing and marketing strategy are among the most important elements for any firm. A 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 organisations. Both competitors and customers are very important external factors that can't be controlled by the organisations but affect their business in a big way

Importance of the Study

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

The cement industry in India is one of the larger markets in the world. It has 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. In marketing, the cement producer or marketing department analyses the nature of the consumer's requirements and then strategy his product to satisfy the consumers. All the marketing efforts focal point attention on the consumers' wants. The management activity, thus governed with the market and market perception to recognise larger groups of Indian consumers through marketing research and market information. Thus the management always plans to meet the customer's needs and look at market competitions. All activities and programs entail some 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 the marketing mix.

Objectives of the Study

The objectives of the study provide the direction to the research and are considered to be one of the most important parts of the research. The following objectives are:

1. To explore and measure the marketing environment of the 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 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 the total sample (respondents) 24, 27, and 25 have been chosen from three cement companies, mainly Ultratech, ACC, and Ambuja. A total of 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 analysed 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".

Data Analysis and Interpretation**Table 1: Correlation Coefficient Analysis between Marketing and Cement Companies**

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

Source: Author's Calculation

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 variables 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 ($r = 0.982809$, a 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 is 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 ($r = 0.966312$, the 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 is 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 is the main variable indicating that there is a positive, strong significant relationship between marketing

strategy, here Product ($r = 0.988644$, the 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 is 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 indicated that (R-value is more than 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 the 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						
SUMMARY	Count		Average	Variance		
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				

Source: Author’s Calculation

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 the cement industry & marketing strategy.

The output of the ANOVA test resulted that the P-value being 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 the F crit value 4.979592 for the type of cement company. This implies that In respect of Columns (Ultra-Tech, ACC, and Ambuja cement), there is a significant difference between Ultra-Tech, ACC, and Ambuja cement on “regularly adopting marketing strategy.”

Similarly, the output of the ANOVA test resulted in a P-value of 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 the level of agreement on marketing strategy. This implies that In respect of rows, product, price, technology, promotion, and distribution) there is a significant difference between the statement and level of agreement.

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 the 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 cement have responded to the option Strongly Agreed and Agree about regular practices of the marketing strategy of these selected companies.

Conclusion

The cement industry requires to operate in a social and environment needs to handle the market of continuously changing customers’ product preferences. The production and marketing development becomes a major activity for the cement industry of these companies. Cement companies are functioning and operating their business in a highly competitive environment due to the cutthroat competition among the national & international and existing cement investors and players in the cement market. This article shows that the marketing environment in the cement industry is very competitive and dynamic, and companies need to adopt new age, digital-based, and unique marketing strategies to compete in the Indian cement market not only for survival but also for growth and development in the cement industry.

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

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

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