Chapter-5
Findings and Conclusions

The present research thesis is an attempt to do comparative study of marketing strategies of top cement companies of Rajasthan using the main factor as marketing mix and dealer loyalty. The quest of the research was to find out the relationship between marketing mix and dealer loyalty and to understand the difference in the perception of dealers for the type of marketing mix strategies used by the different cement companies with the comparative analysis. The present study has been categorized into five major chapters which are as under.

Chapter 1 focuses on the concept of Marketing Mix with an extensive summary of all the four mixes namely Product, Price, Place and Promotion, it explains how marketing mix is most important and strategic for any organization in order to increase the Loyalty while explaining why customer loyalty is most desired thing for every organization.

Chapter 2 focuses on the cement industry it explains the origin of cement, with the explanations of some very important facts about cement industry as why cement has become the most consumable material on this earth after water? Chapter further explains the structure of cement industry of India and capacity production of all the cement companies of India with the basis of which it can be understood that India is the second largest cement producer country in the world after China.
and the chapter ends with summary of the top cement companies of Rajasthan as a background of this study.

Chapter 3 focuses on review of literature based on the study, focusing research paper on marketing mix, marketing strategies, loyalty and cement industry, and the chapter also deals with research methodology part, explaining the objectives and hypothesis of the study, chapter also discusses the research instrument, sampling, pilot survey and reliability analysis of research instrument through Cronbach’s Alpha, Normality table to check the normal distribution of the data and to reach the conclusion as to which statistical test to be applied in order to test the hypothesis and the chapter ends with the final judgment of choosing the nonparametric test. So to test the relationship of the marketing mix and dealer loyalty Spearman Correlation, and to find out the difference of perception of the dealers of different companies Kruskal Wallis test was finalized. Finally, the chapter ends with the explanation of the limitation of the study.

Chapter 4 is one of the most important part of the thesis as it focuses on the data analysis and interpretation with graphical presentation and inferences of the questionnaire which was filled by the cement dealers of the Top cement companies of the Rajasthan chosen for the study namely Shree Cement, UltraTech Cement, Ambuja Cement, Binani cement, and Birla Chetak cement, further testing of hypothesis was done by using statistical tests like Spearman Correlation and Kruskal Wallis test.

Chapter 5 focuses on the findings and conclusions derived from the research study done. This chapter is based on data collected and processed.
5.1 FINDINGS

- Dealers of cement companies prefer sole proprietorship for their business dealings as it is one of the easiest forms of business and it does not require more bureaucratic work and the survey showed that 90% of the respondents were dealing in cement industry with a sole proprietorship.

- Most of the dealers of cement industry have diversified into other business like building material, paints, steel etc in order to deal with fluctuations in the cement market due to economic or other environmental reasons.

- Dealers now a day’s prefer to keep multi-brand in their store in order to cater the needs of varied persons with varied choices. Customers now a day’s want options in brands and cost too, so dealers prefer to keep all brand categories. As per the survey, 43% of the dealers were multi-brand dealer although some premium companies like UltraTech and Ambuja want their dealers to exclusively sell their brand.

- Cement as the product cannot be differentiated much but all the brands have their different set of standard of production as Indian companies need to follow the BIS standards for the production. Shree in order to keep low production cost follow the lowest range of standard and on the other hand premium brands like UltraTech and Ambuja follow the highest range of standard in order to provide the highest quality.
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- Packaging quality of all the brands is approximately same as all need to have tampered proof and leak-proof packaging. Brands do differentiate on the basis of logos and color and companies do bring innovations in their packaging to create a buzz in the market. Ambuja is recognized as the trendsetter in packaging and as per the survey cement bags packaging of Ambuja and UltraTech is the best.

- The concept of fast setting was brought in the market by Ambuja cement and the company has encashed on promoting its brand as highest fast setting brand although some companies like Birla Chetak still follow the traditional concept of measuring compressive strength.

- Mainly there are three types of variants available in the market PPC, OPC-43 grade, and OPC-53 grade, all the companies sell these different variants in the market as per their demand in the different regional pocket, but majorly all the brands focus on PPC as government has set the production limit for the OPC, the production process of OPC is not environment friendly, while producing OPC lots of harmful gasses emission is there in environment whereas PPC is more environment friendly it uses the scrapped fly ash of thermal power plant.

- Technical consumer service support department of the cement companies play key role in terms of customer satisfaction and channel partners satisfaction, all the five companies have strong technical department.
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• Indian cement industry was famous for price cartelization but in 2013 CCI put a ban on cartelization as this is against the benefit of customers, CCI made a rule to impose a penalty of 8-10% of past three years average turnover. Currently, cement companies have category pricing namely Premium pricing strategy, Competitive pricing strategy, and lower pricing strategy.

• Profit margin is given by all the companies to its dealers but Shree cement dealers are the happiest dealers as Shree cement comes in lower pricing category thus the dealers of Shree cement enjoy more benefits and high-profit margin. All the companies have a different bracket of profit margin, premium brands like Ultratech and Ambuja do give special profit margin in order to retain the channel partners. Binani is losing its dealers base due to deteriorating brand image in the market and Birla Chetak cement has the dealer-centric policy.

• Rate difference is a type of benefit given to dealers which is prevalent in cement industry mainly. RD is actually difference margin given to dealers between billing price and actual wholesale price this ranges between 5 to 15 Rs per bag. The concept of RD was brought by Shree cement and the company does offer the highest RD in the industry which ranges from 12 to 15 Rs whereas ranges of other companies are 5 to 10 Rs.

• All the cement companies need to give timely discounts for pushing the sale in the market; average discounts of all the companies are same
In order to push the bulk sale and to reduce the company’s costing there is a provision of direct factory lifting profit as in direct factory lifting dealers purchase bulk amount directly from the factory and it get unloaded at dealer’s POS whereas normally company send material to all the depots then as per order it goes to dealers or retailers shop, this increase the loading and unloading charges of the company that’s why extra profit is given to dealers who purchase directly from the factory this profit ranges from 5 to 10 Rs per bag, and all the companies give profit margin for direct factory lifting.

On time delivery is actually the new game word of this competitive era of cement industry, dealers prefer brand that delivers material on time due to this company plan their depot location very strategically in order to give the service of on-time delivery and Shree cement is chasing the battle as company has planned its plant and depot location that it can deliver material in less time and that too at low cost, other companies are also working on the same, Ambuja has recently brought new strategy naming express delivery of 30 minutes in limited radius (in km)

32% of the total respondents use self-transportation, benefit of self-transportation is that dealer can unload the material at number of POS and can get the quantity of material loading as per their requirement too, whereas company’s vehicle has some norms of minimum quantity of
orders per POS and the norms for number of POS too where the material can be unloaded. All the companies give this service but there fare fluctuates.

• In order to push sales company announce different retailers or sub dealers scheme all companies have different schemes, Common motivation schemes are like cheque distribution gold and silver distribution and the premium brands do offer a domestic/ foreign trip to retailers on completion of set targets.

• In order to push sales in weak location, companies offer weak location benefit to the dealers i.e. they give additional benefit which ranges from 2 to 3 Rs per bag.

• Shree Cement is the strongest in area wise depot strategy as it has planned its depot and plant very strategically so that the costing get reduced and delivery becomes fast all other companies are also working on spreading the depot location.

• Companies promote itself strong wall painting in order to push sales and to loudly announce the presence of the brand in the make by sponsoring various events and CSR activities etc UltraTech sponsor cricket matches, Ambuja sponsors various sports tournament like marathon, Shree sponsors traditional festivals.

• Cement market of Rajasthan is very different as every regional pocket have strong brand image of different brand as UltraTech and Ambuja is
recognized as the premium brand of cement industry Shree is the largest manufacturer of North India, Binani has lost its brand image due to deterioration and Birla Chetak has the oldest brand legacy but is nowadays working strongly in changing its brand image from competitive brand to premium brand recently company has changed brand logo, packaging in order to bring innovation in brand

- Wall painting is being done in order to bring awareness of its presence in the market. companies nowadays are focusing on wall painting on highways shops, dealers counter, a wall painting is recognized as the strong mode of branding in the cement industry. All the cement companies do have strong focus on wall painting

- Promotional activities are prerequisite for any organization in order to push the product in the market. But in cement industries popularized promotional activities are roadshow/event sponsorship /Marathon sponsorship movie shows for dealers and reward/loyalty points, all these promotional activities are done by all the companies but Binani due to its deteriorating situation is out of it and Birla Chetak cement was not doing these activities but now a day’s company is planning aggressively for branding and promotional activities.
5.2 CONCLUSIONS

5.2.1 Marketing mix and dealer loyalty

Based on the above findings and hypothesis testing it was found that Marketing mix and dealer loyalty is positively related, and from the four Mixes promotion mix influence the dealer’s loyalty most as every dealer wants to get associated with the brand which has strong market presence and a promotion is the voice of the company and it is the key element in communicating the benefits of product and service to the customers. A well designed promotional strategy can assure long-term success and bring in more customers and can increase customer traffic (Mishra, 2015)

Second most influencing factors recognized was place mix as every dealer want that the material required by them or their customers should reach right time at right place, and it is being proved by many researchers that highest switching rate by any customer to other brand is due to unavailability of product at right time at right place (Mazursky, Labarbella & Aeillo, 1987) as per the data analysis place mix is the second important mix as per the perception of dealers, so the companies with good distribution strategy can excel in the cement industry.

5.2.2 Comparative analysis of strategies of cement companies

Another result came out of this study is all the companies have a different kind of marketing strategy for all the four mixes.
**Product Mix**

Shree Cement: As per the perception of the dealers, quality of cement is good, but it is not at extraordinary level as the company follows the lowest range of the quality standard given by the BIS in order to decrease the costing of the company, other things like packaging, technical support and variants are rated good by the dealers.

Ambuja Cement: Ambuja cement follows the highest range of quality standards as per the perception of the dealers quality of cement is excellent, as the brand comes in the category of premium brand it maintains the highest quality standards be it the quality of cement, packaging, or technical support, as per the dealers perception Ambuja cement do not bring huge variants in the market and it concentrates on selling two main variants that too region specific based on the demand.

UltraTech Cement: Ultra Tech Cement also follows the highest range of quality given by BIS company concentrates more on providing supreme quality to its customer, as per the dealers in terms of quality UltraTech do not compromise although the price of cement is higher than the brands it believes that premium quality need to have premium price, being the premium category brand company excel in all the sub product mix be it packaging, variants of cement, technical support.

Binani Cement: As per the dealers perception quality of cement is good, and is been regarded as one of the brands with huge demand in the market of Rajasthan but with due to bad time demand for brand decreased, but the company maintained
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the quality, company did not decrease the quality of the cement and company tried
to maintain its other service like technical support, only the quantity of cement was
decreased due to dispute between company and government.

Birla Chetak: As per the perception of the dealers quality of cement is good and in
different pocket of Rajasthan there is huge demand of the brand and the company
have sound technical support, in producing different variants Birla Chetak is the
only brand who produce SRC, SRC is used in the underwater construction.

Price Mix

Shree Cement: Dealers of Shree cement are very happy in terms of pricing as per
the company’s strategy company prefer to be in lower pricing category, company
believes in the philosophy on low costing , low pricing and selling high volume, as
the pricing is low and dealer margin is high dealers are very happy as they can
generate high ROI, Shree cement concentrates on non trade sales which is direct
project sale where quantity demanded is always very high.

UltraTech Cement: As per the dealer's perception UltraTech cement is excellent
brand with huge brand image, company comes in the category of premium pricing
although the price of cement is high the company is highly quality conscious and it
is for the customers who are ready to pay high for the quality.

Ambuja Cement: Pricing strategy followed by Ambuja cement is premium pricing,
dealers of Ambuja cement are happy to get associated with this brand as the
company has huge brand image and company has exclusive dealer’s policy.
Dealers take huge leverage by the name of this brand
Binani Cement: Binani cement follows the competitive pricing strategy, and the company has a good brand image in the market of Rajasthan although company has faced the deterioration from last three years due to some internal matters and quantity of production was been decreased but company did not decrease the price of the cement, it remained on its pricing. As Binani is the only cement brand who is not the member of CMA who regulate the price of cement of all the variant.

**Place Mix**

Shree cement: As per the dealers, strategy for the place mix that is distribution strategy of Shree cement is very sound. The company has set up its plants and depots at a very strategic location so that it can deliver cement to the required dealers in less time and low cost, dealers of Shree cement are very satisfied by the on-time delivery and locational benefits are given by the company.

UltraTech Cement: 95% of the dealers of the UltraTech cement believe that place mix strategy of UltraTech cement is very sound. In terms of on-time delivery, dealers are very satisfied as the company is premium category brand it needs to give prompt service be it, self-transportation, retailer or sub retailers scheme or locational benefit. The company always tries to keep itself in a premium category by providing premium services in terms of transportation.

Ambuja Cement: Ambuja cement’s dealers are very satisfied with the place mix strategy of the company, a company has very strategically planned depot or plant location and recently company has also launched express delivery strategy under which company assure 30-60 minute delivery and the company has also assured that normal delivery also not get delayed by 1:30 hrs by bringing in such strategy
dealers feels that company constantly tries to give them the best service. Dealers feel that be it locational benefit or area wise depot strategy Ambuja tries to take all the step in order to keep itself in premium category brand.

Binani Cement: During the survey period Binani’s supply of material was very low due to less production, reason being the legal issues between company and government thus dealer’s ranking for place mix strategy was overall average be it On time delivery, retailers and sub-dealers scheme or area wise depot strategy.

Birla Chetak Cement: dealers of Birla Chetak are not much satisfied by the place mix strategy reason being the number of depots in particular region is low and they are not strategically planned and the company have shortage of vehicle too, so it cannot give prompt service to the dealers be itself transportation, retailer’s schemes or depot location. Company is now aggressively planning more depots in different locations to give prompt service

**Promotion Mix**

Shree Cement: As per the perception of dealers Promotion mix strategy of Shree cement is good, and dealers feels that company has strong brand presence with its mass wall painting/hoardings/tv commercial in the market, Company is volume leader in the market the brand image

UltraTech Cement: As per the dealer’s perception promotional mix strategy of the company is very sound, company has strong brand presence huge market presence by wall painting and company always bring in very motivational trade promotion schemes, company also have very sound advertising strategy as it sponsors matches of Indian cricket team and is also sponsor of Rajasthan Royals in IPL,
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with its media advertising it always lives special message in the mind of its customers, recently company has given advertising slogan “build beautifully” and the company always focus on engineers as they are the biggest influencer in purchase of cement and the company always claims that their cement is engineers’ choice cement.

Ambuja Cement: Company has a strong brand image in the market with huge strength in the cement; the company has positioned itself as the cement with giant compressive strength thus they chose the Great Khali the world wrestling champion as the brand ambassador of the company in resemblance to the same. As per the dealers Perception Company has a very strong promotional strategy by using attractive advertising and by employing the motivational promotional schemes it motivates its dealers to sell more and earns the benefit of promotional schemes.

Binani Cement: Company has a strong brand image and has brand face as Amitabh Bachchan, the company has strong promotional strategy and strong trade promotion schemes in order to motivate the dealers but recently company has stopped its foreign tour etc due to its disputes with government.

Birla Chetak Cement: Company has strong promotional schemes in order to motivate the dealers to sell more but company spends less on advertising, but nowadays with the increasing competition company realized the need of advertising thus company recently launched its first television commercial prior to this company was only depended on print media, and word of mouth advertising.
5.2.3 Overall Market leadership VS Regional Leadership:

Dealers are the most important part of any cement industry because based on the dealers’ network companies’ growth for that particular region is decided. As survey and research study depicts that it is not necessary that a company which is market leader of particular state is not necessary the market leader in all of its regions and the main reason of this is the availability of dealer network of that particular region.

Overall market leadership in the market of Rajasthan is of Shree cement as Shree is the volume leader company has the highest production quantity from any other cement company of north India, based on the high level of operational efficiency and economy Price Company is selling highest volume in the market of Rajasthan but the survey proved that there is huge difference between overall market leadership and regional leadership even there is difference in leadership of all the city to its zone as in different regions demand of cement brand varies based on its dealers networking.

5.3 SUGGESTIONS:

• Cement companies Success depends upon its dealer's network thus all the cement companies should concentrate on building strong and long term association with dealers

• Company should award the long term association of dealers, to bring in more emotional attachment with them
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- Cement companies should organise brand loyalty programs and they should measure internal customer perception index.
- Cement companies should concentrate more on bringing in promotional and place mix strategy as both of these influences most in building loyalty.
- As per the research study promotion and dealers loyalty are highly correlated so company should invest more on promotional activities as it can help them build in loyal dealers in the increasing competition everyday.
- Place mix and dealers loyalty are also correlated to each other thus companies should have strategically planned distribution strategy by setting depots and plants at the location by which cement can be supplied in less time in low cost, like Ambuja cement has started the trend of express delivery other companies can also bring in the same.

5.4 FURTHER RESEARCH SCOPE:

Present research is restricted to the Rajasthan state, geographic location can be increased and the same can be done on the whole country to get a more generalized conclusion. Researchers can do research on cement industry using other marketing tools or researcher can include big architects, engineers contractors of big real estate players in their sample thus further this research can be increased by expanding the area of research.
REFERENCES


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