

A Study on Distribution Channels in Cement Industry

J. Pavithra

Assistant Professor, Department of Management Studies, Bharath University, Chennai -73, India

Abstract: “Marketing is a societal process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.”-Philip Kotler. Marketing is everywhere. Formally or informally, people and organizations engage in a vast number of activities that could be called marketing. There are four P’s of marketing mix namely 1. Product 2. Price 3. Promotion 4. Place (Distribution). A major focus of this article related to channels of distribution in Cement industry. A channel of distribution comprises a set of institutions which perform all of the activities utilized to move a product and its title from production to consumption. This research has focused in cement industries confined with retailers and consumers.

I. INTRODUCTION

India’s infrastructure in economic growth and cement consumption require heavy investments especially for government projects housing projects in both rural and urban areas . The major challenge faced by Indian cement industry is engulfed in a pool of very high raw material prices specially the price of coal and gypsum. Contrarily the capacity utilization for cement in India goes down there by affecting the profitability of firms. Therefore effective marketing strategies, effective distribution channels should be utilized to boost up the capacity utilization, increasing the dispatches and realization .Differentiation in product or service in cement industry gains importance for both the dealers and the customers .So an eagle eye should be kept on the distribution channels of cement Industry.

Objectives of the study

- To find out the distribution channels of Cement Industries Limited.
- To compare the distribution system of cement industries.
- To find out the present problems faced by dealers.
- To find out the any new scheme required by the dealers.
- To give valuable suggestions to increase the sales volume.

II. REVIEW OF LITERATURE

A major focus of channels of distribution is delivery. It is only through distribution that public and private goods and services can be made available for use of consumption. Producer of such goods and services are individually capable of generating only the form or structural utility for their product and services. They can organise their production capabilities in such way that the products they have develop can, in fact, be seen analysed and sold in the market.

“Marketing Channels are set of interdependent organisations involved in the process of making a product or service available for used on consumption. They are a set of pathways a product or service follows after production, culmination in purchase and use by the final end user”.

- Philip Kotler

“Channel of distribution is a path traced in the direct or indirect transfer of the title to a product as it moves from a producer to ultimate consumers or industries users”

-EW Cundif and RS Stil

“The course taken in the transfer of the title to a commodity constitutes its channel of distribution. It is the route by the title to a product in its passage from its first owner, an agricultural procedure or a manufacture as the case may be, to the last owner, the ultimate consumer or the business user.”
-Beckman and Others

“A channel of distribution or marketing channel is a structure of intra-company organisation, unites and intra-company agents and dealers and retailers through which a commodity product or service is marketed”

-American Marketing Association.

“The manner in which goods move from the manufacturer to the outlet where the consumer purchases them; in some marketplaces, it’s a very complex channel, including distributors, wholesaler, jobbers and brokers”.

- Small Business Entrepreneur

“A channel of distribution can be defined as the collection of organisation units, institutions, or agencies within or external to the manufacturer, which perform the functions that support product marketing. The marketing functions are pervasive: they include buying, selling, transporting, storing, grading, financing, bearing market risk, and providing marketing information. Any organisation unit, institution, or agency that performs one or more of the marketing functions is a member of a channel of distribution”.

Industry has been defined “as a process in which changes of a series of strategically production are taking place and it involves those basic changes that accompany the mechanization of an enterprise. The building of a new industry and the opening of a new territory”

The achievements in the field of industrial development during the past three decades in India have been significant and substantial in many respects. There is considerable literature on cement industry befitting, its long and chequered history and high economic importance. A good deal of analytical literature exists at broad levels covering problems associated with productivity, financial performance, size and technology, manpower and location.

Table No: 1- CEMENT DEALERSHIP TAKEN BY DEALERS

Brand	No. of respondents	Percentage (%)
Birla	18	18
Ramco	26	26
Dalmia	18	18
Zuari	16	16
Coromandel	22	22
Total	100	100

Sources: Primary Data

Inference: From the above table, it is inferred that 18% of the respondents are having the Birla cement dealership, 26% of the respondents are having Ramco cement dealership, 18% of the respondents are having the Dalmia cement dealership, 16% of the respondents are having the Zuari cement dealership and 22% of the respondents are having the Coromandel cement dealership.

Chart No: 1 CEMENT DEALERSHIP TAKEN BY DEALERS

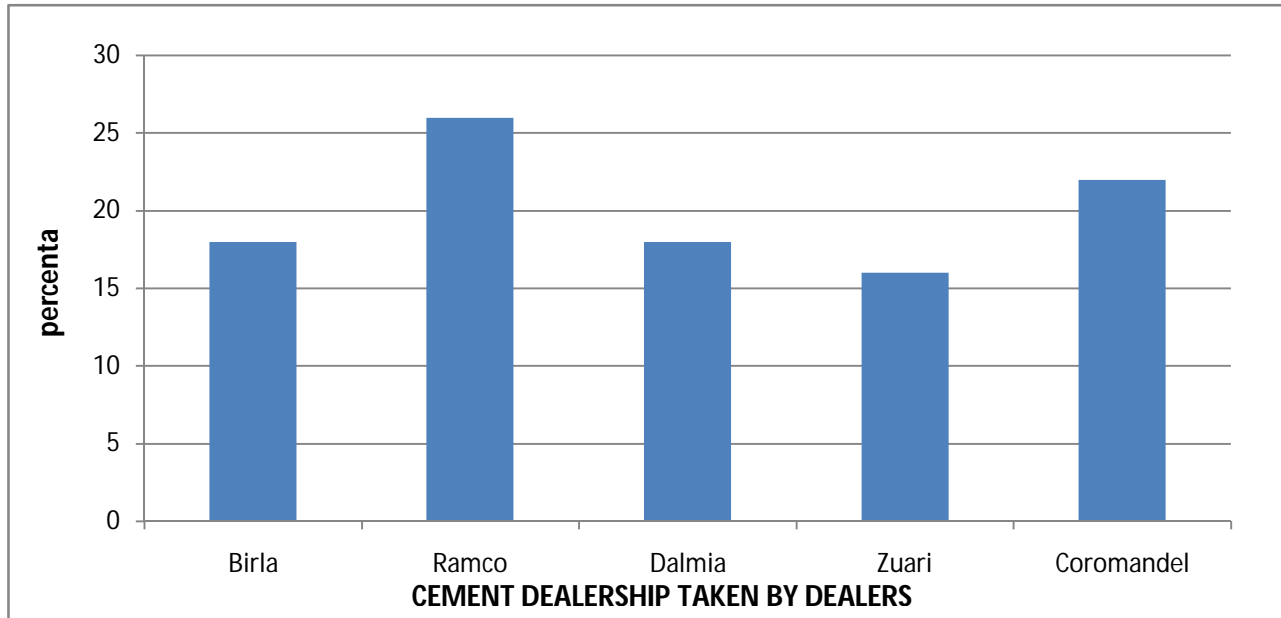


Table No: 2 HIGH SALES VOLUME IN CEMENT INDUSTRY

Brand	No. of respondents	Percentage (%)
Birla	14	14
Ramco	26	26
Dalmia	22	22
Zuari	12	12
Coromandel	26	26
Total	100	100

Sources: Primary Data

Inference:

From the above table, it is inferred that 14% of the respondents feel that Birla cement is getting high sales volume, 26% of the respondents feel that Ramco cement is getting high sales volume, 22% of the respondents feel that Dalmia cement is getting high sales volume, 12% of the respondents feel that Zuari cement is getting high sales volume and 26% of the respondents feel that Coromandel cement is getting high sales volume.

Chart No: 2 HIGH SALES VOLUME IN CEMENT INDUSTRY

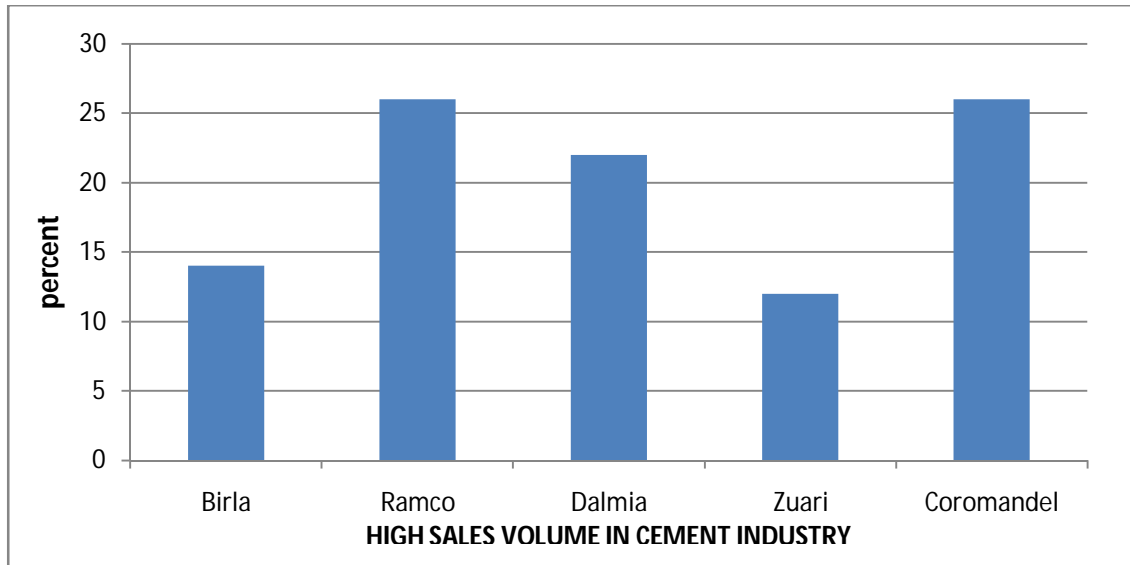


Table No: 3 MOST VALUABLE SUPPLIERS

Brand	No. of respondents	Percentage (%)
Birla	18	18
Ramco	26	26
Dalmia	18	18
Zuari	16	16
Coromandel	22	22
Total	100	100

Sources: Primary Data

Inference: From the above table, it is inferred that 18% of the respondents feel that the Birla cement is most valuable supplier, 26% of the respondents feel that the Ramco cement is most valuable supplier, 18% of the respondents feel that the Dalmia cement is most valuable supplier, 16% of the respondents feel that the Zuari cement is most valuable supplier and 22% of the respondents feel that the Coromandel cement is most valuable supplier.

Chart No: 3 MOST VALUABLE SUPPLIERS

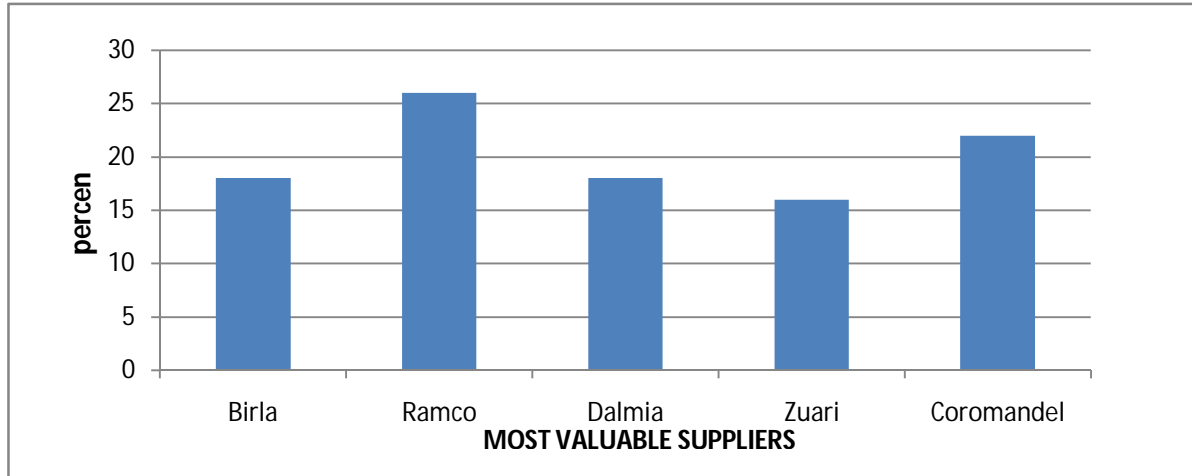


Table No: 4 FAST MOVING BRAND IN CEMENT INDUSTRY

Brand	No. of respondents	Percentage (%)
Birla	14	14
Ramco	26	26
Dalmia	22	22
Zuari	12	12
Coromandel	26	26
Total	100	100

Sources: Primary Data

Inference: From the above table, it is inferred that 14% of the respondents feel that Birla cement is fast moving in cement industry, 26% of the respondents feel that Ramco cement is fast moving in cement industry, 22% of the respondents feel that Dalmia cement is fast moving in cement industry, 12% of the respondents feel that Zuari cement is fast moving in cement industry and 26% of the respondents feel that Coromandel cement is fast moving in cement industry.

Chart No: 4 FAST MOVING BRAND IN CEMENT INDUSTRY

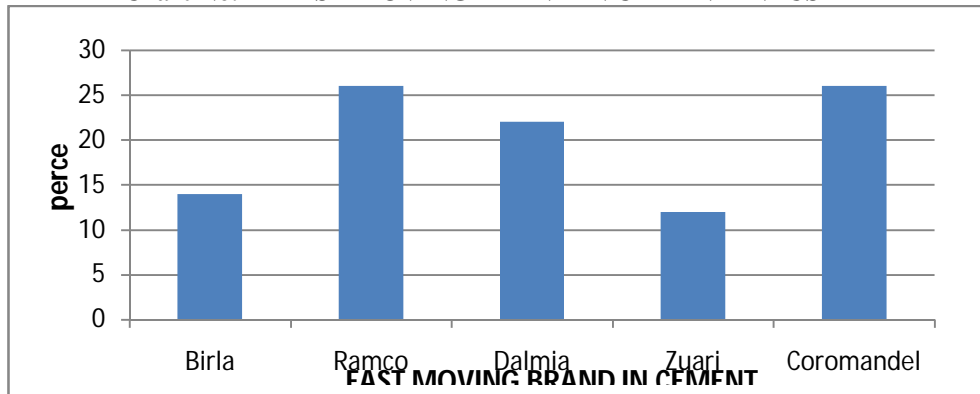


Table No: 5 LIFE TIME OF THE OVERALL CEMENT

Brand	No. of respondents	Percentage (%)
Birla	12	12
Ramco	14	14
Dalmia	16	16
Zuari	28	28
Coromandel	30	30
Total	100	100

Sources: Primary Data

Inference: From the above table, it is inferred that 12% of the respondents feel that Birla cement is having more life time, 14% of the respondents feel that Ramco cement is having more life time, 16% of the respondents feel that Dalmia cement is having more life time, 28% of the respondents feel that Zuari cement is having more life time and 30% of the respondents feel that Coromandel cement is having more life time.

Chart No: 5 LIFE TIME OF THE OVERALL CEMENT

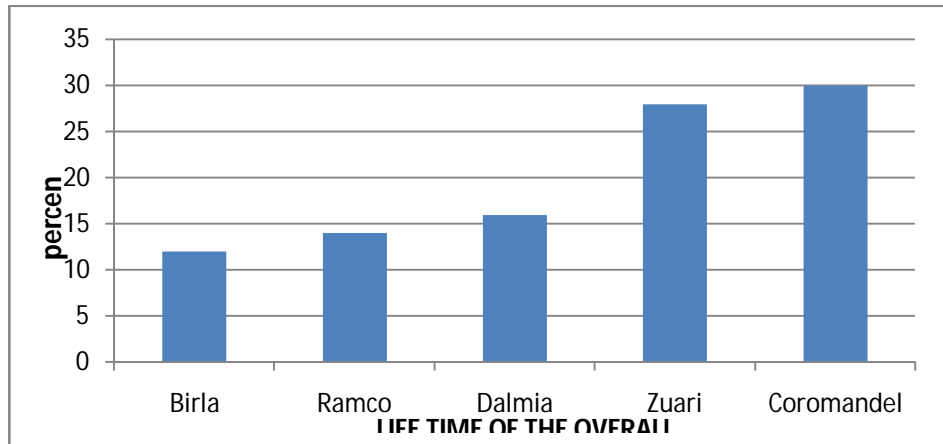


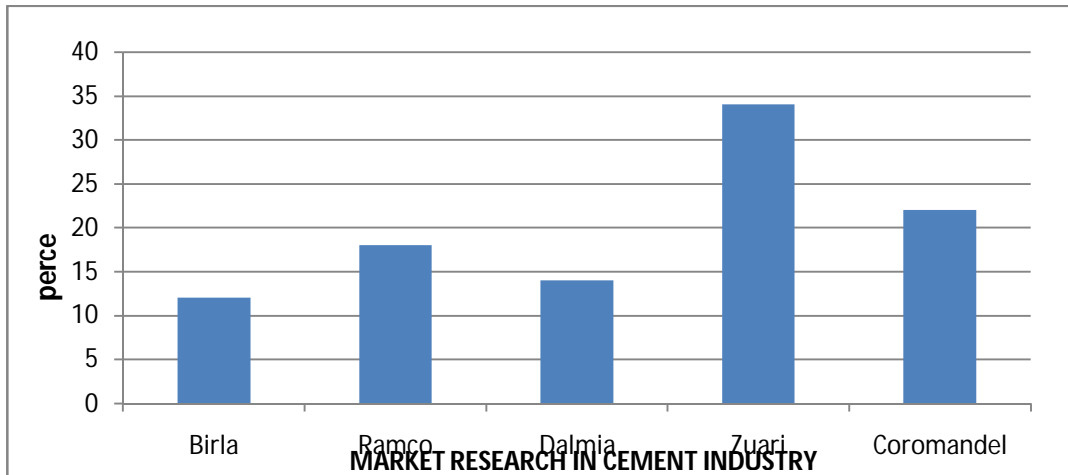
Table No: 6 MARKET RESEARCH IN CEMENT INDUSTRY

Brand	No. of respondents	Percentage (%)
Birla	12	12
Ramco	18	18
Dalmia	14	14
Zuari	34	34
Coromandel	22	22
Total	100	100

Source: Primary Data

Inference: From the above table, it is inferred that 12% of the respondents feel that Birla cement is doing market research in cement industry, 18% of the respondents feel that Ramco cement is doing market research in cement industry, 14% of the respondents feel that Dalmia cement is doing market research in cement industry, 34% of the respondents feel that Zuari cement is doing market research in cement industry and 22% of the respondents feel that Coromandel cement is doing market research in cement industry.

Chart No: 6 MARKET RESEARCH IN CEMENT INDUSTRY



Findings of the study

- (26%) of the respondents are having Ramco cement dealership, (22%) of Coromandel, (18%) of Dalmia and Birla. And (16%) of respondents are having Zuari cement dealership.
- (26%) of the respondents feel that Coromandel cement and Ramco cement are having high sales volume. At the same time Zuari cement is having less sales volume of (12%).
- (26%) Ramco cement most valuable suppliers from dealer's point of view, (22%) of Coromandel, (18%) of Dalmia and Birla. And Coromandel cement (16%) of respondents are considering most valuable suppliers.
- (26%) Coromandel cement and (26%) Ramco cement they are moving fast in cement industry. And (12%) zuari cement is moving slowly.
- (30%) Coromandel cement, (28%) Zuari cement they are having more life time. And (12%) Birla cement has less life time from others.
- (12%) of the respondents feel that Birla cement is doing market research in cement industry, (18%) of Ramco cement, (14%) of Dalmia cement, (34%) of Zuari cement and (22%) of the respondents feel that Coromandel cement is doing market research in cement industry.

III. CONCLUSION

After analysing the data, that the sales volume of Coromandel cement and Ramco cement are comparatively higher than others. In dealers point of view Ramco cement has the most valuable suppliers. Coromandel and Ramco cement have reliable and fast moving brand. Coromandel cement and Zuari cement have more life time. Zuari cement only improve its sales promotional efforts as well as follow some strategies in effective marketing research and also get feedback from the retailer and customers.. Overall, Coromandel cement is the leading performer in Chennai.

Suggestions

The cement industry has to check our product to reach the dealer in timely and regularly. Because it can be increase the sales volume and brand Image. The Industry has to fix the price very standard and make aware of their product to the Public. The cement Industry has to involve the market research and technology research to provide quality and assured cement products to the customers. They have to directly involve to collect the feedback from various customers. They can create trust among the dealer by taking immediate corrective actions for the problems like shortage and breakage and also concentrate in credit facility of the dealers to extend their service for dealers required.

REFERENCES

1. Marketing Management "Philip Kotler"
2. Marketing Management "S.A. Sherleker"
3. Marketing "Dr. N. Ranjan and Sanjith R. Nair"
4. Research Methodology "C.R. Kothari"